

# **Business and Sustainable Development; Business Purpose, in Search of Improvement in the Business and Society Relationship**

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## **ABSTRACT**

In the light of continuing criticism of business in matters of CSR, this thesis investigates the propensity for business to connect legitimately with society in matters pertinent to sustainable development. The study utilises elite interviews and follows the animated interview technique.

The emerging notions of business purpose are found to be congruent with promoting the implementation of the SDGs and to offer a significant change dynamic regarding the need to achieve transformational change at scale. However broad take up of business purpose is not assured. The dynamic is found to be impeded by deficits at the business and policy community interface rooted in lack of trust and mutual understanding between them. This is illustrated by the prime example of the need for co-operation to construct enabling legislation for business purpose. Complexity in the governance of SD, which the thesis positions as meta-responsibility where business is a crucial actor, is brought out.

Situated in this meta-responsibility, a deficit in the contribution of HE input through the provision of business and management education for CSR is found in teaching, research, external engagement and governance. Detriment caused by the UK culture of marketisation and performativity in the setting of austerity funding is identified. Further, the need for HE institutions to declare purpose pertinent to public value relevant to SD, and for alternative business school models based on new ranking systems is found.

The thesis makes a theoretical contribution by placing the emerging notions of business purpose within the Political CSR theory. Further, it follows call in the literature to progress the CSR theory through literature synthesis and alignment, here by utilising the Political CSR theory as a frame.

Finally, managerial and policy implications are raised with a business focus and with a focus on HE input.

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Finally, I am most grateful to my wife Kate for encouraging me over the years of this endeavour, for her love and for her support.

## **DECLARATION**

I declare that this thesis is a presentation of original work and I am the sole author. This work has not been previously presented for an award at this, or any other, University. All sources are acknowledged as references.

Neil Rotheroe

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## ABBREVIATIONS

AACSB	Association to Advance Collegiate Schools of Business
AMBA	Association of MBAs
BC	Benefit Corporation
BRT	American Business Roundtable
BSI	British Standards Institute
CAS	Complex Adaptive Systems theory
CEO	Chief Executive Officer
CERES	Coalition of Environmentally Responsible Economies
CGF	Consumer Goods Forum
CIDEESS	Complex Interconnected and Dynamic, Environmental, Economic and Social Systems
CSR	Corporate Social Responsibility
EFMD	European Association for Management Education
ESG	Environmental and Social Governance
EPI	Enacting Purpose Initiative
ETI	Ethical Trading initiative
FOE	Friends of the Earth
GRI	Global Reporting Initiative
GPNs	Global Production Networks
HE	Higher Education
IFC	International Financial Corporation
ILO	International Labour Organisation
ISO	International Standards Organisation
IMF	International Monetary Fund
MNC	Multinational Corporation
MNE	Multinational Enterprise
NEF	New Economics Foundation
NGO	Non-Governmental Organisation
OECD	Organisation for Economic Cooperation and Development
PIG	Public Interest Group
RR	Responsive Regulation
SD	Sustainable Development
SDG	Sustainable Development Goal
TBL	Triple Bottom Line
TRSS	Transnational Regulatory Standard Setting
TNC	Transnational Corporation
UNEP	United Nations Environment Programme
UNGC	United Nations Global Compact
UNPRME	United Nations Principles of Responsible management Education
WBCSD	World Business Council for Sustainable Development
WTO	World Trade Organisation

## **CHAPTER 1 INTRODUCTION**

### **1.1 Background to the Study**

One key intention of this thesis is to examine some of the possibilities for appropriate synthesis of knowledge arising from more than forty years of research and practice carried out under the banner of Corporate Social Responsibility (CSR), with regard to the behaviour of business in society. It is notable that such an approach is exhorted by established researchers in different discipline areas, see for example Gray (2007), Whiteman et al. (2013), Wood (2010). This is set in the context of the widespread view that, pertinent to sustainable development (SD), business is failing to meet various social, economic and environmental requirements. The research looks to progress the theoretical context. The study investigates emergent improvement dynamics in the business and society setting. It seeks to identify barriers to progress and to raise policy and managerial implications.

Literature from different discipline areas and perspectives is examined, including from management, accounting, regulation, governance, sociology, business ethics and environmental management. Developments in the practitioner and policy communities are also considered, with reference to the theoretical context.

By way of definition of terms - the meaning here of CSR and its close relationship with the concept of SD follows the social, economic and environmental interpretation of Steurer et al. (2005). This is framed in terms of integration of the social, economic and environmental aspects, stakeholder dynamics, temporal context and process-oriented matters.

It seems useful to note here that the term Triple Bottom Line (TBL), coined in practitioner and policy circles, has become somewhat synonymous with CSR, at least in the view of corporate business. It is a business managerial concept concerned with internal efficiency:

...implying a triple optimisation with regard to the economic, social and environmental costs of products and processes. The most serious challenge regarding the triple bottom line are trade offs between different dimensions or issues of SD. (2005: 272).

It is prevalently used in connection with company sustainability reporting and further criticisms of the TBL concept, as it has been applied in practice, are addressed. This is in

relation to the scale of the impact of business activity on global ecological carrying capacity (Milne and Grey, 2013) and to other matters.

The need for efficiency as one necessary component of CSR is recognised as a given. However, the necessity to move beyond this is considered. Further requirements for a more thoroughgoing, and legitimate relationship between business and society are investigated. Here the emerging notions of business purpose, and the connection of this with the recent UN Sustainable Development Goals (SDGs), are addressed. Alignment of emergent academic and practitioner views is considered. In this the imperative of sense making in CSR and SD, for both business and society is addressed in the context of the social construction of SD. Here the need for stakeholder dialogue in different frames and at different levels is examined. The need for business to possess adaptivity, to respond to indicated change signals is addressed, as is the need for creation of social cohesion between business and society to enable appropriate sensitivity to the issues. The exploration is extended by consideration of the nature and texture of the discourse, the latter in a normative setting. The responsibilities of both business and the policy community are considered. As part of this the place of Higher Education as a member of the policy community is particularly investigated. Failures in strategic leadership are addressed.

The professional role of the researcher as an established practitioner in the field of study is relevant to the research, and this is specifically addressed in the Research Methodology and Methods chapter.

## **1.2 Research Aims and Objectives**

This study aims to explore the propensity for development and extant evidence of a sought after / emergent paradigm shift in business society relations which is expressed, and called for in the academic and practitioner literature. The exhorted change is expressed in the literature in the frame of the need to move beyond current predominant approaches to CSR. This is in which the latter are characterised as failing, being largely peripheral, detached from core business strategy, core business decision making and core business processes and of limited legitimacy. Here attention is on CSR activity in business, in relation to outcomes relevant to sustainable development. The emerging response in the practitioner community, which is characterised as business purpose, is examined. An objective to place the emerging

notions of business purpose in theoretical context is established. The purpose dynamic is engaged with sense making, in a business and society context, concerning the recently formed SDGs. Thus, the inquiry is set within the consideration of the social construction of sustainable development.

### **1.3 Research questions**

Based on the research aims and objectives, the following research questions are examined.

1. How does the CSR performance of business influence the implementation of SD?
2. What theoretical framing can be developed for appropriate synthesis of the literature, and to position the emerging notions of business purpose?
3. In the context of SD, what is the leading position of thinking in academia and in the practitioner community, concerning improvement of the business and society relationship, and what improvement dynamics and barriers can be identified arising from this?

### **1.4 Thesis Outline**

This thesis is comprised of six chapters.

**Chapter 2**, the literature review chapter considers the criticisms of the corporate sector, addressing this in theoretical context and drawing on theory from different discipline areas. It also draws on and makes comparisons with relevant elements of the grey literature. The meaning and complexity of achieving system conditions for sustainability is considered, together with problems arising from barriers in the relationship between business and the policy community. The emerging notions of business purpose, and the association of this with the recent SDGs, is brought to the fore, in theoretical and practitioner context. This purpose dynamic is surfaced as being potentially positive in the forward going business and society relationship. However, detractions from progress, captured as *SDG washing* on the part of some businesses, brings attention to the need for improved business education and here a connection is made to the body of literature providing critique of educational provision, pertinent to SD, in HE. Here deficits in educational provision are found and this debate is characterised as the provision of public value. More broadly, further synthesis of the literature is found to be appropriate and this sets the context for the theoretical development carried out in Chapter 4, the synthesis chapter.

**Chapter 3**, the methodology and methods chapter, explains the reasoning for choice of interpretivist philosophy and qualitative methodological approach. The research method, utilising elite interviews, is justified. The particular innovative technique for the interviews, following the animated interview technique (Holstein and Gubrium, 2011) is explained. This is placed in a consideration of the acquisition of rich data in the circumstances of the position of the researcher as an established practitioner in the field of study.

**Chapter 4**, the literature synthesis and theoretical development chapter, builds on the work in the literature review at chapter 2. It uses the theoretical construct of Political CSR to provide a frame for further synthesis of the literature in the academic setting, and this includes elements of the grey literature. Further illustration of alignment of views in the complexity is undertaken. Underpinning of the notion that the governance of SD is a *meta-responsibility* is carried out. The chapter confirms a firm theoretical grounding for the thesis, in Political CSR, and depicts the normative setting. It deepens consideration of the particular change dynamic of business purpose, at the business and society interface, pertinent to SD in the face of the *grand challenges*. The extent of multilateral effort needed to address the SDGs in transformational context, and in which business is one vital player, is addressed. Here the restrictions caused by tensions at the business and policy community interface are emphasised. The further key contribution of the chapter is a theoretical contribution. This is to place the emerging notions of business purpose into the Political CSR theory.

**Chapters 5** the empirical chapter, discusses the results in the three dimensions emerging in the research. Dimensions 1 and 2 are business focused and consider system conditions for sustainability from the perspective of businesses, situated in their business operating environments. Through the lens of Political CSR theory, and within this the assembly of relevant literature, the discussion is concerned with purpose and, in this, with new business models and the associated implementation of the SDGs. The importance of the relationship between business and the policy community is discussed. Dimension 3 takes up the results and analysis from the Higher Education component emerging in the research which is concerned, in light of the identified failings in business, with the need for appropriate educational provision. Here in which HE is positioned as a significant actor in the policy community and in light of the governance of SD being identified as a *meta-responsibility*. Attention is particularly focused on business and management education. This is in which

deficits are discussed. Alignments of the purpose debate in the business community with those of public value in HE are discussed.

**Chapter 6**, the conclusions and implications chapter, provides the conclusions of the study. It summarises the theoretical development, link to praxis and contribution to theory. Managerial and policy implications are identified. Suggestions are made for further research.

## **1.5 Contributions to knowledge**

This thesis establishes the emergent notions of business purpose as a significant dynamic pertinent to the sought-after paradigm shift in business and society relations. The business purpose dynamic (for example Grayson et al., 2018; Mayer 2018) is characterised as one which seeks the engagement of core business strategy, core business decision making and core business processes in contribution towards sustainable development. It seeks the development of new business models. This research identifies the business purpose dynamic and business purpose movement as being developmental and positioned in a formative setting (for example Big Innovation Centre 2016; The British Academy, 2018; The British Academy, 2019), here in which take up of the approach beyond business champions is not yet assured. The study supports call for increased appropriate (Ciepley, 2019) take up of the purpose dynamic on the part of business. This in order to achieve the change at scale in activity that is needed for realisation of the SDGs (for example Biermann et al., 2017; Van Zanten and Van Tudler, 2018; Voegtlin and Scherer, 2017).

However, the thesis finds barriers to progress in implementation of the purpose dynamic arising from deficits at the business and policy community interface. Here an often-conflictual paradigm is identified in the relationship between these communities. A key example of detraction caused by this deficit in trust in the relationship is found. This is in which the need is indicated for the business and policy community to act together in co-operation in the formation of corporate governance legislation which is widely enabling of the take up of purpose on the part of business.

Following orientation by the literature review, this research is placed in the Political CSR theory conceptualisation of Scherer and Palazzo (2010). In their theorising, these authors explain that research in Political CSR is set in an emerging context and is developmental, and

in this they look to further construction. Following this direction, and having recognised the significance of the business purpose conceptualisation, this thesis makes a theoretical contribution. This is by placing the emergent notions of business purpose as Political CSR. This is achieved in the thesis by utilising, and providing analysis within, the five themes of Scherer and Palazzos' (2010) five-part construct which contains the inter-related components of the Political CSR concept.

Situated with this, the thesis makes the additional parallel contribution of further synthesis of the literature and in this, accesses particular meaning in the complexity (for example Abbott and Snidal, 2013; Isaksson et.al, 2010; Metcalf and Benn, 2012; Rasche, 2010) of the reality. This including underpinning of the notions of the governance of SD a being meta-responsibility (Scherer, 2018) in which business is one vital actor and where particular contribution is also sought from the policy community. Thus, the thesis follows the exhortation to provide further alignment in the considerable existing literature on CSR (for example Gray, 2007; Whiteman et al., 2013; Wood, 2010). Here also, the approach taken utilises Scherer and Palazzos' (2010) five-part construct of Political CSR to provide framing. This synthesis is carried out drawing on both the academic literature and the grey literature. The latter being set in the practitioner context, and in which it is used to achieve relevant links to praxis. Here the thesis demonstrates alignment of the academic and practitioner views in the emerging business purpose debate. This concerning the positive view of the utility of the approach in the promotion of SD and, in this, of potential to improve the business and society relationship.

The study provides a further theoretical contribution to the Political CSR theory. This is made by linking the emerging conceptions of purpose in business to purpose in the HE sector, predominantly in the social science context of business and management schools. In the HE context the notions of public value in the social sciences (Kitchener, 2019; Watermeyer and Olsson, 2019) are framed, by the thesis, as purpose and identified as being in parallel to the notions of business purpose in the business sector. Here being related to the latter and of significant influence in promotion or inhibition of progression of the business purpose approach.

Further, the thesis makes contributions in offering policy and managerial implications. Thus, in the policy arena the importance of encouraging the emerging notions of purpose in



business are brought out. Here deficits in trust between the business community and the policy community are identified as a detraction to progress. In this, and connected to the complexity and large level of effort required for improvement, the need for the formation of appropriate nodes where a new dialogue can be created is advised. This is set in a transformational setting (Fazey et al., 2017: Grayson et al., 2018: Scherer, 2018: Sharpe et al., 2016: Volkman et al., 2020) and premised on new ways of working in the formation of stakeholder dialogue, at various scales and levels. Here with focus on collaboration, stakeholder convening and in progression of effective approaches in pre-competitive space. An imperative to fund and resource this activity is indicated, as a significant aspect. Further, the need for acceleration in the provision of enabling corporate governance legislation to encourage the uptake of business purpose is supported by the thesis.

In the firm managerial setting, the driving of the purpose approach into company culture is found to indicate a need for exceptional strategic leadership. This in order to adhere to declared purpose in the face of the complexity (Grayson et al., 2018: Mayer, 2018: Metcalf and Benn, 2012: Polman, 2014: Unilever, 2018).

Turning to policy and managerial implications in the HE context of business and management schools, the thesis identifies deficits in education pertinent to SD, in both the teaching and research contexts. Here in which CSR and SD is not centralised in the curriculum and where an intradisciplinary approach is needed in teaching and research and further, where this research is used to inform teaching.

The thesis establishes that the need for alternative business models, which is identified in the corporate business sector, is found to be reflected also in the purpose context in HE. This is placed in the circumstances of the governance of SD being found as a meta-responsibility, where HE is situated as a significant actor in the policy community milieu and from which a contribution to positive change is sought. Here the study advocates purpose driven rankings, geared to SD, for the formation of an alternative business school model. This is in which ranking of participating business and management schools is based on the institution making strategic declaration of purpose in the context, followed through with the requisite effort in operations. The latter being in research, teaching and external engagement and which is geared to appropriate academic staff incentivisation. HE Funding implications are indicated

in this, pertinent to changed funding arrangements implicated in support of this approach. Barriers to such a progressive approach are found, and the thesis indicates a need for culture change. This change being in the circumstances of a developing UK HE culture, negative in the context here, of marketisation and performativity, situated in austerity funding.

## **CHAPTER 2 LITERATURE REVIEW**

### **2.1 Orientation**

The business sector remains the subject of frequent criticism for failure to meet social obligations. This is because it is perceived that business has not consistently met the legitimate requirements of a range of stakeholders relating to various social, economic and environmental matters pertinent to sustainable development (SD) and in this business is not behaving responsibly. In the parlance of the literature there is frequent failure to act in accordance with corporate social responsibility (CSR). In this it is notable that this is despite the fact that the concept of CSR has been discussed in the academic literature for many years, see for example Carroll, 1979, 1991; Carroll and Buchholtz, 2009; Carroll and Shabana, 2010; Crane and Matten, 2010; Crane et al., 2008; Sethi, 1975; Steurer et al., 2005; Wood 1991, 2010. Metcalf and Benn (2012) pinpoint the matter as follows:

Despite decades of managerial science and practice around corporate social responsibility, unfavourable corporate impacts on society indicate disconnect between management science and practice. Regardless of decades of academic theory and science, managerial education and managerial practice to create socially responsible organisations, corporations still fail to live up to social needs. (2012:206)

Thus, this is the setting for the research aim in this thesis, which is to explore the propensity for improvements in the business and society setting.

### **2.2 Linking of the concepts of SD and CSR**

#### ***General considerations***

As indicated these considerations are situated in the social, economic and environmental dimensions pertinent to sustainable development (SD). It seems useful to compare the concepts of SD and CSR. Concerning research question 1, the literature supports the view that SD and CSR are linked concepts. Metcalf and Benn (2012) refer to overlap of the concepts of CSR and SD. Carroll and Shabana (2010:88) argue that ‘sustainability, or sustainable development... [has become] an integral part of all CSR discussions.’ Isaksson et al. (2010:426) ‘interpret CSR as organisational promotion of global sustainability.’

Steurer et al. (2005) provide useful discussion in this context. Within this they reflect on the historical development of the concept of SD from its environmental roots which were concerned with planetary limits in the ecological sense, through progression of later thinking to include economic issues and subsequently to the current state of affairs in which human welfare is central to the concept and in which all three of the social, economic and environmental dimensions are prominent.

These authors confirm SD as a normative concept for society and in this they emphasise that it is a social construct formed by ‘societal consensus finding processes’ (2005:273). They emphasise that it exists at the macro and the micro level and here the connection with CSR is made. They point out that while CSR and SD both address integration of social, economic and environmental aspects, CSR is differentiated from SD by being driven by the particular stakeholders of the firm in the specific organisational reality. Clearly these stakeholders exist in the operating circumstances of the organisation; the stakeholders in the particular reality of the supply chains in which it exists and at its particular scale of operation - this with respect to the way it affects or can be affected by those stakeholders (see for example Crane and Matten, 2010).

Steurer et al., (2005) point out that while SD is a guiding model which is dependant ‘largely on a society’s interpretation, CSR is a voluntary management approach in which a company’s stakeholders play a prominent role’ (2005:274). These authors also highlight the difference temporal scope; SD covers ‘a time span of several generations...[however] the management approach of CSR is more or less implicitly about meeting the demands of (primary or key) stakeholders today in order to secure resources which are vital for the company’s performance in the near future’ (Steurer et al.,2005:274). They refer to CSR as being ‘a voluntary business contribution to Sustainable Development’ (2005:275).

### ***Dynamics provided by the UN sustainable development goals***

Reflecting further on this latter view, which is re-enforced by Isaksson et al.(2010), concerning the situating of CSR as a firm level contribution to SD, and the management of SD in supply chains, it seems to be important to consider some emerging developments. Pertinent to research question 1, these arise in the policy and practitioner context and concern the new global Sustainable Development Goals (SDGs) issued as part of the UN 2030

Agenda for Sustainable Development (UN, 2015). These comprise 17 SDGs and 169 targets concerned with the social, economic and environmental aspects of SD. They are high level, and applicable to all sectors of society. The SDGs replace and seek to take further forward the approach of the earlier Millennium Development goals. They represent an agreed commitment by the 193 member states of the United Nations. (UN, 2015).

Biermann et al. (2017) point to the novelty of the SDG approach to global governance through goals which are not legally binding. This is compared to the stronger institutional arrangements which have been set up for the international of governance of climate change, biodiversity and so on. However, these authors, while advocating the development of stronger institutional arrangements and the development of indicators as understanding of the meaning of the goals is built, capture the positive dynamic of the goals. In this context and by way of illustration they find the following:

Instead, it is rather the bottom-up, non-confrontational, country-driven, and stakeholder-oriented aspects of governance through goals that its supporters cite as a key potential success factor ... Partnerships and emergent properties are envisaged as an innovative feature of the SDGs. (2017:27)

Further in this respect they refer to the inclusiveness and comprehensiveness in the approach taken to goal formation and setting. Thus, they emphasise the importance of the partnership working for the implementation of the goals, and this is considered further, in this thesis, in the context of the business and society relationship.

Resonant with the views, in particular, of Steurer et al.(2005) and of Isaksson et al.(2010) on the key linking relationship between the SD and CSR concepts it is notable that the position of business as a key stakeholder is emphasised in the existing and developing consideration of the SDGs. This is both in the process of drawing up the SDGs and in their execution at local level at the scale of the firm through CSR activity and reporting (UN Global Compact, 2016, UN Global Compact, 2017). The role of the United Nations Global Compact appears significant in the promotion of the SDGs to business. The organisation is a UN lead initiative and is concerned with the development of CSR practices and reporting in business, it has extensive following in the corporate sector. The current and developing UN Global Compact SDG activity is undertaken by way of interpreting, directing and guiding businesses to inform the business agenda by encouraging appropriate uptake of the SDGs, in ways relevant to particular businesses. This in ways that are relevant to the 'local' efforts of business in their

CSR activity. As indicated, this is in the context of the particular stakeholders of the firm (Steurer et al., 2005; Schwartz and Tilling, 2009). It is notable that the UN Global Compact has published a raft of advice and direction for business on the SDGs, also drawing on the expertise and input of other actors. This includes SDG Industry Specific Matrices, an SDG Compass for business and a Poverty Footprint to allow understanding of relevant corporate impacts (UN Global Compact, 2016).

The SDG Compass tool (SDG Compass, 2017) has been developed by a cooperation of the UN Global Compact, the Global Reporting initiative (GRI), and the World Business Council for Sustainable Development (WBCSD). The GRI is a global multi-stakeholder organisation that has strong following by corporate business and provides a methodology for sustainability reporting. The WBCSD is a well-established business cooperation focused on business leaders, and also enjoys significant following in the corporate sector. Relevant to research question 1, it is interesting that the compass tool, in the business setting, illustrates a gap between the outcomes of current business CSR efforts and the level of ambition that is needed to align with the relevant SDGs.

It also seems evident that this sought after linking dynamic between the declared global SD considerations embodied in the SDGs and corresponding company level CSR activity is resonant with related emerging thinking in the business practitioner community. Regarding research question 3 on barriers, this concerns a perceived need to increase business legitimacy by improving the connectivity of business with society (Browne and Nuttall, 2013; Browne et al., 2015; Elkington and Zeitz, 2014; Grayson et al., 2018; Polman, 2014). This latter strand is taken up further below in the sections on ethics and stakeholder engagement and system conditions for sustainability. Further discussion of the emergence of the SDGs is carried out below, in this chapter.

To bring the meaning to the social, environmental and economic issues it is useful to consider some of the criticisms of business in the context and these are considered in the next main section, Exploring the Assertion of Failure.

## 2.3 Exploring the assertion of failure

### *Exceeding carrying capacity*

Regarding research question 1, various authors find that the corporate business sector is implicated in degenerative practices, which are destructive of human welfare and the ecological environment (Banerjee, 2008: Bakan, 2004: Dicken, 2015: FOE, 2013: Isaksson et al. 2010: Keats, 2015: Klein, 2001: Lepineaux, 2005: Marquand, 2014: Metcalf and Benn, 2010: Milne and Gray, 2013: NEF, 2010: Porritt, 2005: Scherer and Palazzo, 2010: Scholte, 2005: Stiglitz, 2010). It is useful to consider some of the criticisms from the perspectives of different authors, drawing on different disciplines / histories of knowledge.

Milne and Gray (2013) take an accounting perspective in their critique of current efforts by international business and related business associations; this is through the lens of sustainability reporting. Sustainability reporting is concerned with reporting on an organisations environmental, social and economic performance. This is now commonly carried out by Multi National Corporations (MNCs) and the term Triple Bottom Line (TBL) reporting, with respect to the activity is widely adopted in policy and practitioner communities. These authors raise concerns regarding the extent of connectivity/lack of connectivity of this practice with making meaningful progress towards sustainable development; this with reference to the concept of sustainability.

Milne and Gray (2013) consider the concept of natural capital and the depletion of this for the purposes of capitalist accumulation in the operations of international business. They conclude that there is nothing inherent in the contemporary version of capitalism, situated in the current circumstances of the globalised economic system, that assures the preservation of natural capital and maintenance of natural systems as intergenerational assets. They reflect on unsustainable behaviour in the context of ‘threats to and collapse of ecological systems and the barely less unequivocal threats to social systems and stability’ (Milne and Gray, 2013:15). While these authors refer to issues of social sustainability, including equity and social justice, the major part of their analysis addresses the ecological environment. In this, among other considerations, they review various sources and conclude that the scale and nature of current exploitation of ecological resources is beyond the ecological carrying capacity of the Earth. They argue that current approaches to sustainability reporting by

MNCs fail to take account of the global scale of natural capital depletion and is based on an approach that substantially fails to take account of global conditions; they argue that this is ecologically illiterate:

The use of the TBL as an analogue for corporate sustainability is a myopic and inwardly focused concern largely bereft of ecological understanding. Such conceptions are entity focused and reinforce notions that businesses first not ecological systems must remain going concerns.’ (2013:24)

It is notable that, writing from the perspective of transnational regulatory standard setting and in pursuit of an effect mechanism for this, that these views are echoed by Abbott and Snidal (2013). The issue of international regulation, in the CSR context, is taken up further below.

In the reporting context, Milne and Gray (2013) refer to the existence of a notable few good examples of this; here the inference appears to be that these were derived in a process of appropriate stakeholder engagement / framing of the pertinent issues. However, they provide the following criticisms in relation to what can be assumed to be most mainstream sustainable development reports:

‘...the reports cover few stakeholders, cherry pick elements of news and generally ignore the major social issues that arise from corporate activity such as lobbying, advertising, increased consumption, distribution of wealth and so on.’ (2013:17)

It seems clear, however, that these problems are acknowledged by practitioners working in areas associated with sustainability reporting. This is articulated particularly in work that has taken place around development of the notions of materiality. This is to move understanding and definition of materiality beyond the narrow interpretation in traditional financial reporting, that is bounded by short term financial performance and financial risks and is concerned with investors in the financial sense. Concerning research question 3 on thought leadership, the development is to move the consideration to also include the social and environmental aspects of sustainability, and in this to address the consequences for wider stakeholders, who are affected by and can affect corporate behaviour. It is thus concerned also with measurement of and reporting on outcomes for those stakeholders. It seeks to promote fundamental engagement of business strategy with manufactured capital, financial capital, social capital, human capital and natural capital. See for example AccountAbility, 2013; AccountAbility et al.2006; GRI, 2013; Sullivan, 2011).



Concerning the point on lack of ecological literacy made by Milne and Gray (2013), the importance of this is also captured by Whiteman et al. (2013). In a similar vein, but oriented from the perspective of management studies research, the latter also refer to lack of ecological understanding in the context. Situated in the complexity of the issues, Whiteman et al. (2013) find a general lack of clarity in the research community as to the connectivity and relevance, or otherwise, of corporate CSR activities to macro level ecological constraints. The CSR activities are characterised as incremental eco-efficiency measures and in this these authors argue that there is a failure ‘to adequately link business processes to macro ecological processes and boundary conditions’ (Whiteman et al., 2013:308). These authors define planetary boundaries as climate change, ocean acidification, stratospheric ozone depletion, nitrogen cycle, phosphorous cycle, global freshwater use, change in land use, biodiversity loss, atmospheric aerosol loading and chemical pollution. They discuss the relevance of these boundaries for corporate sustainability and urge cross disciplinary collaborative research between the natural sciences and management research to progress understanding. The work of these authors is interesting in that it indicates that business is unlikely to be able to solve the problems of sustainability on its own and, informing research question 3 on barriers, that wider considerations including sharing knowledge, formation of knowledge intensity and sense making are to the fore in a multi-stakeholder context. This element of the discussion taken up further below in subsequent sections.

### ***Damage to welfare***

Further on the perspectives of different authors and in the interests of providing context, it seems constructive to consider the work of Banerjee (2008). Drawing his analysis from a sociological perspective, this author coins the term ‘necrocapitalism’ in the context of degenerative corporate practices. He builds the theory of necrocapitalism, drawing on notions of this originated from analysis of colonialism in the 1700s. He carries this analysis forward to the contemporary form and nature of operations of MNCs, in international context, operating in the developing world setting. Necrocapitalism for this author is concerned with damage to human welfare and ‘*what practices in contemporary capitalism result in the subjugation of life*’ (Banerjee, 2008:1542); this is centrally with relevance to the activities of MNCs. Banerjee (2008: 1551) argues that, ‘Necrocapitalist practices deny people access to resources that are essential to their health and life, destroy livelihoods and dispossess

communities.’ There are various nuances in this authors work and it is wide ranging, it is concerned with the associated disbenefits to indigenous populations and in this ‘ in colonial contexts...collusion between states and corporations...that involve dispossession, death, torture, suicide, slavery, destruction of livelihoods, and the general management of violence’ (Banerjee, 2008:1548). The discussion provided by this author is wide ranging and concerns various matters for example, in developing countries - privatisation of water supplies; trade liberalisation in agriculture and the activities of the World Bank and international institutions in this respect; the activities of the energy and natural resources extractive industries, privatisation of the military; the preferential allocation of major contracts to MNCs with displacement of the pre-existing local economic activity which supported the local population; and also other matters. In terms of his discussion and the examples he raises Banerjee (2008) reflects on the inadequacy of current CSR approaches to address, to sufficient positive end, the context of operational reality and the resultant material effects of corporate activities on the key stakeholders and in particular the poor in the indigenous communities.

Further in this vein, Metcalf and Benn (2010) review literature on bad ethical practice in business, pertaining to the corporate sector. From this they reflect that the current discourse on sustainability in business ‘instead of promoting social interests, are used primarily to regulate external stakeholder interests and promote corporate interests’ (Metcalf and Benn, 2010:197).

## **2.4 Stakeholder considerations; overview**

### ***Ethical context***

Concerning research question 1, the allegation then is of the substantial failure, on behalf of MNCs, to apply deontological ethics in a context that is material to these stakeholders. This is with respect to their human rights and to the ethics of justice.

In the context of business ethics theory, this intersects with the view of Doherty et.al (2008:177) that with respect to addressing duties owed to stakeholders according to the indications of normative stakeholder theory – that is, the moral course indicated by the Kantian concept of the ethics of duty:

The essence of the criticism of current CSR approaches in business and other organisations is that the normative model, indicated by Freeman and others, has enjoyed a fairly limited application. Rather most current approaches, in practice, lean more towards the instrumental. In instrumental stakeholder theory, the focus is on whether or not it is beneficial to the business to take into account stakeholders' interests.

Further discussion in relation to the actual nature of stakeholder engagement carried out by MNCs is undertaken in the section below on ethics and stakeholder engagement.

### ***Problems in achieving substantive change through standards***

Of particular relevance to the reality experienced, on the ground, by stakeholders affected by activities of MNCs, the work of Schwartz and Tilling (2009) is useful. Pertinent to research question 1, the analysis, of these authors, is carried out through the lens of international standards making for CSR in organisations. This is with particular reference to the process of the making, and content of, the international standards organisation guidance standard on social responsibility ISO 26000. Following a lengthy gestation, this standard is now published as ISO 26000 (2010) and is seen by many in policy and practitioner circles as breaking new ground. It is a direct response to the criticisms of the corporate sector in their failure to demonstrate genuine CSR (ISO 2011).

Relevant to the considerations of stakeholders here, these authors make particular reference to the importance of context in the sense of the social reality experienced by the stakeholders affected by MNC operations. This is what 'it' means on the ground in the particular circumstances of that location and the particular social, environmental and economic circumstances prevailing.

These authors refer to the necessary length and complexity of the international process involved in making the standard and bring out the consensual nature of the process in the face of the complexity of the social, economic and environmental issues. In essence their argument is that in the process of standardisation the social construction made in the form of the standard, by the stakeholders taking part in the ISO standards making process has to an extent brought too much emphasis on achieving consensus. Their accusation is that this has

resulted in the lowest common denominator and this is resonant with the views of Milne and Gray (2013), discussed above, to the effect that the indicated need for step change towards sustainable development is not sufficiently engaged with.

Schwartz and Tilling (2009) find that ISO26000:

... standardises definitions of social responsibility issues in organisations...rather than focusing on performance results in relation to sustainable development and CSR.  
(2009;290)

These authors argue that the result of the standards making process has been a standard that describes requirements for legitimate management action but is insufficiently substantial in indicating what is necessary in performance terms in the reality of particular operating contexts. The implication is change but no change in that the organisations gain the legitimacy they seek by being seen to be applying the standard but make insufficient change as to how they perform on the ground in performance terms in relation to how they affect the rights of and outcomes for the stakeholders existing in the particular operating reality that the corporate entities inhabit. The real world meaning of this can be envisaged by way of example, through the type of cases discussed above in relation to the work of Banerjee (2008) and also in relation to the framing of the issues provided by Milne and Gray (2013).

This view of Schwartz and Tilling (2009) is congruent with the findings of later work by Balzarova and Catska (2012). Following analysis of the process of making ISO 26000 the latter take a reserved position concerning the propensity of the standard to engender substantive positive change in the context of SD. De Colle et al. (2014) also write in the vein of the utility of CSR standards in promoting social responsibility of organisations. They find that standards can be constructive in improving CSR performance and refer to the experience of two of the authors in practical interventions, which underpin this view. These authors refer to the positive dynamic and well meaning nature of the standards, however they point to the propensity for problems, in terms of outcomes actually achieved. In this their view resonates with the findings of Schwartz and Tilling (2009). Concerning research question 3 on barriers, De Colle et al. (2014) point to the paradox that the adoption of a standards based approach to CSR can lead to a ‘thoughtless, blind and blinkered mindset’ (2014:177) in which actual improvement in CSR performance, in practice, is not achieved. This is taken up further below in the section on Globalisation, including the building of a positive dynamic in the context.

## 2.5 Ethics and stakeholder engagement

### *Creating a legitimate discourse*

As discussed, the CSR and SD literature indicates the central importance of engagement of companies with their stakeholders and, concerning research question 1, in the normative context to address the legitimate concerns of the latter. If efforts in this direction are to have validity in a moral context, in the practical operational setting of the firm, then it is evident that a meaningful dialogue with stakeholders needs to be established (Mason and Simmons, 2014).

In this respect it is interesting to consider the debate around the premises for moral legitimacy, in the way that companies actually engage with stakeholders. This part of the discussion takes place in the context of post modern ethics and is situated in discourse ethics. The emphasis is on the post modern philosophical view that objective truth is unobtainable (Crane and Matten, 2010; Noland and Phillips, 2010), it is a social construct interpreted according to particular circumstances and by the stakeholders involved. In the sense here it is formed by dialogue between a company and its stakeholders in a context of stakeholder 'wants, needs, well being or capabilities' (Noland and Phillips, 2010:40). In this normative context it is in relation to the creation of legitimate discourse. In this respect Noland and Phillips (2010) refer to two schools of thought. The first school, the Habermasians, follow the philosophy of the sociologist Jurgen Habermas. The second school described by these authors is the Ethical Strategists.

Put briefly the Habermasian position, in the setting of the discussion here, has it that if engagement with stakeholders is carried out to follow '*strategic motivation*' (Noland and Phillips, 2010:40) - that is the strategic purposes or objectives of the firm, then it is essentially not a moral course. This is because of the intentional or unintentional power differences; the argument being that the firm is in a superior position of power to the stakeholders in the context. Noland and Phillips (2010) state complete support for the Habermasian intention of genuine and honest engagement with stakeholders in a non-exploitative context and also inclusion of a 'voice for stakeholders, many of whom may often be overlooked or ignored' (2010:45). However, they argue that divorcing the stakeholder

engagement approach from the formation of strategy in the firm is a none productive, if not self defeating position. This is for business and by implication for the broader ends of the wider society in which business exists. They argue that the engagement of stakeholders in company strategy is a pre-requisite for business success and that business activity should be about creating value for all stakeholders. In this Noland and Phillips (2010:41) follow and cite the view of Freeman et al. (2007), and point to other authors who are members of this school.

### ***Pursuing a moral course***

Thus, Noland and Phillips (2010) take the position, that of the Ethical Strategists, that the stakeholder engagement and business strategy must take place in explicit connectivity in order to drive the moral course for the firm. The latter being linked directly to good strategy:

... good strategy properly understood must encompass what are typically recognised as moral concerns because the very purpose of the firm and the capitalist system within which it operates is, when viewed rightly, the creation of value for all stakeholders...We also contend that the specific prescription for moral engagement of stakeholders found in... [the Ethical Strategist School]...are more likely to be found palatable and practicable to the average manager. (2010:40)

The latter comment, in the citation above linking the debate to praxis and utility, and being pertinent to research question 1, seems to have particular relevance to the research in hand. It resonates strongly with the efforts of practitioners working towards the objective of engendering step change in practice that corresponds with moral management. A review of activity in the practitioner community reveals evidence of a considerable attempt to link, in a progressive dynamic, moral management to business strategy (BSI,2013: ISO, 2010; ISO, 2011). This also intersects with the stance of authors writing in the practitioner context (Doppelt, 2003: Grayson and Hodges 2004) regarding the need to substantially integrate CSR with business strategy.

The views of views of Noland and Phillips (2010:40), cited above, would also seem to implicate the importance of the availability or otherwise of a good capitalism (Hutton, 2011: Marquand, 2014: Porritt, 2005: Stiglitz, 2010). The academic debate, taken up further below,

on the current global socio-economic system in the context of globalisation and the position of business, and particularly MNCs in this, seems central here (Dicken, 2015; Scholte, 2005). Also in this respect the discussion above in the assertion of failure section brings a particular focus to bear. The views of Milne and Gray (2013) criticising the contemporary version of capitalism, of Gray (2007) concerning ‘the ills of late industrial and financial capitalism’ (2007:171) and those of Banerjee (2008) in relation to his interpretation of the practice of Necrocapitalism would seem to set a particular context for this discussion.

It seems important then that Noland and Phillips (2010) look to articulate a positive frame for business society relations, which they locate in relation to the Aristotelian ethical notion of the good life, which is situated in virtue ethics (Boatright, 2003; Chryssides and Kaler, 1993; De George, 1999). Noland and Phillips (2010) argue that, business is an essential part of the good life and that its aims and objectives must be subject to moral evaluation. For these authors this is through the engagement of stakeholders in an appropriate discourse with business. In this they refer to ‘making the case for re-examining strategy in light of a reconceived identity and purpose of the firm’ (Noland and Phillips, 2010:48). They also emphasise the importance of internal stakeholders in the firm, the individual managers and employees. This is concerned with the interface of boundary spanning employees with external stakeholders and, in the sense of discourse Ethics, their appropriate and important interaction with external stakeholders. This is in terms of their propensity to provide the facility of a conduit, as well as being actors themselves, to the directors who make strategy based on the determined values of the company; this in a process of moral sense making.

Drawing on experience from practice, a recent practitioner interpretation of the real life meaning of this theorising by Noland and Phillips (2010) is provided in BS8900:2013 Managing sustainable development of organisations (BSI, 2013). This refers to the development of principled strategically lead approach based on values, dialogue with stakeholders and the development of a self improving sustainable development maturity matrix, unique to the organisation and carried out against declared principles. In the context here the progressive creation of an appropriate stance on stakeholder engagement, in relation to the behaviours of leaders and employees in their development of their interactions and communications - with each other and with external stakeholders, is illustrated in this standard by examples from practice (BSI,2013: 20-21)

### *Negative institutionalisation*

In the context of the position taken by the ethical strategists, discussed above, it seems appropriate to consider to what extent the normative stakeholder concept is actually followed by MNCs in their CSR activity. That is through genuinely taking into account the legitimate concerns voiced by stakeholders in a process of dialogue, enabled by the firm. This is in contrast with the other scenario which is the adoption of an instrumental process, driven by a largely un-reconstructed view of the business imperative, with restriction to a narrow interpretation of the financial imperative.

Concerning research question 1, it seems appropriate to bring to bear the research of Bondy et al. (2012) in this. These authors use the lens of institutional theory to identify the position that CSR is now institutionalised in society and also that the form of this institution that has been established in MNCs is regressive in that it does not follow the normative stakeholder concept. Referring to their qualitative research, these authors argue that through following a particular strategic approach MNCs have determined a path that is geared to an unreconstructed view of the business imperative. In this referring to the behaviour of MNCs, these authors find that:

...their practices are turning CSR into a business innovation used to support profit generation...(CSR) is therefore failing its objective to make business more responsible and accountable to society (Bondy et al., 2012:282).

In the context of institutional theory in which their research is framed and put briefly, these authors discuss the form of CSR that has become institutionalised within MNCs. Within this, according to these authors, the legitimate social and environmental concerns of stakeholders are supported by MNCs only in so far as this fits the strategic business priorities, in the service of the financial case and in which the stakeholders responded to are substantially key to the promotion of the business imperative. They further argue that embodied in their response to the selected stakeholders, that the activities selected and expressed as CSR are also chosen by the company to fit with its strategic priorities, and not chosen by the particular stakeholders.



Importantly they frame their discussion in the context of the very large power of MNCs as ‘agents’ (2012:284), this measured in relation to that of nation states. The particularly established MNCs, characterised by these authors as ‘field incumbents’ (2012:294) are situated in a context of competitive advantage; these organisations look to reinforce and maintain the market logics which have taken them to their position of market power. Regarding this, these authors find the following:

Therefore, the similarity in form of CSR practiced within MNCs...not only resulted from institutional pressures for CSR activity *and* agency designed to gain advantage from CSR differentiation, but also suggest a shift in broader notions of legitimate CSR from stakeholder-centric CSR to strategy-centric activity. (Bondy et al., 2012:294)

It can be seen then that both Bondy et al. (2012) and Noland and Phillips (2010) accept the normative position that stakeholders should be involved in the formation of corporate strategy on CSR issues. However, it is evident that Bondy et al. (2012) find that business is falling short of the positive frame for business exhorted by Noland and Phillips (2010). The latter being aligned with the Aristotelian notion of the good life.

It seems logical that the arguments of Bondy et al. (2012) may need to be nuanced according to the power of the external stakeholders involved. However, these authors point out that few stakeholders have sufficient power to determine the form of CSR that is carried out by MNCs. Relevant to the discussion on globalisation below they specifically refer, in the circumstances of expanded globalisation, to the diminished ability of national governments to exert power on the form of CSR carried out in MNCs. This being due to the transboundary nature of MNC activities. They also point to the increase in power of MNCs compared to nation states arising from the increasing MNC provision of citizenship rights. The provision of these rights was, prior to the onset of accelerated globalisation, predominantly the domain of national governments. This provision by MNCs now applies to such matters as water supply, infrastructure, health provision and so on.

### *Complexity of the issues*

However, when reflecting on the findings of Bondy et al. (2012) it may be appropriate to consider some other factors. In this respect Scherer et al. (2013) consider, from a descriptive perspective rather than a normative perspective, the strategies followed by corporations in their pursuit of legitimacy for their CSR activities in the context of their impact on SD. Again, these authors acknowledge the demise of the influence of the nation state in regulating company behaviour. However, in this circumstance, they emphasise the increasing relevance of NGOs, social movements and by implication the institutions of world government, in an increasingly complex globalised world in which:

...the corporate environment has become highly complex and ambiguous...We suggest that dealing with SD related legitimacy issues is particularly challenging when operating in fragmented and dynamic global environments with a multitude of complex and often contradictory sustainability demands. (Scherer et al., 2013:260)

These authors argue that in this situation of complexity corporations are increasingly obliged to engage in moral reasoning with stakeholders in a situation where the boundaries of legitimacy are being formed. Here they point to the position in which strategic manipulation of stakeholders in the sense referred to by Bondy et al. (2012) is a decreasing strategic option in the pursuit of corporate legitimacy.

From the practitioner perspective the meaning of this theorising is becoming increasingly evident in a consideration of recent and current cases in the CSR context. Perhaps a classic example, in this respect, is the recent incident of the Rana Plaza garment workers disaster in Bangladesh in which a number of major corporate 'field incumbents' (Bondy et al., 2012:294) are involved. Media coverage provides description of this incident, including the involvement of major MNCs brands concerned through their supply chains, see for example Brignall and Butler (2014), Smithers (2015). The backlash of this incident threatens the legitimacy of these businesses and has accentuated and, pertinent to research question 3 on thought leadership, opened up dialogue with a range of stakeholders in the context here (Action Aid, 2016), with this being set in the sense of an improvement dynamic.

### *Corporate governance perspectives*

In this discussion of corporate strategy and stakeholder engagement it seems appropriate to address the literature relevant to corporate governance. The work of Mason and Simmons (2014) is applicable in this respect. Relevant to research question 1, these authors capture the current commonly encountered situation in which CSR often does not achieve a position in business that is sufficiently dominant to be transformative of corporate behaviour and performance. They refer to the limitations of most current CSR approaches and it is implicit that they concur with the criticisms discussed above in relation to the extent of corporate manipulation of stakeholders for the purposes of the narrow view of the business imperative, which is predicated on the short term.

Somewhat resonant with the exhortations of Noland and Phillips (2010), to align business behaviour with the ethics of virtue, Mason and Simmons (2014) look to set a progressive context for business society relations. In this the latter authors:

...suggest that responsible organisation will draw on stakeholder perspectives in their cumulative evaluation of CSR, and utilise these to assess CSRs influence on the organisation's efficiency, effectiveness, equity, environmental impact and external reputation. (2014:83)

This is through the Lens of corporate governance and their approach is geared to embed CSR in corporate governance. In this these authors provide a conceptual model, a stakeholder systems model of CSR. Notable in the frame of the discussion here their model centrally addresses ethics through the focus of the ethics of justice. The model is set in the context of legitimate stakeholder claims on the organisation and it contains three stages. The first stage is set at board level decision making, the second stage is set in the resultant CSR processes and operations and the third stage is set in CSR resultant outcomes. Each stage is set to be analysed in the context of organisational justice. Procedural justice is considered in relation to the consideration of the salience of the claims of particular stakeholders in the formation of CSR strategy and how these are dealt with by the board. Interactional justice is considered in relation to CSR enactment through processes and operations. Distributive justice is considered in relation to the perceived resulting outcomes that particular stakeholder groups receive from the organisation. Ongoing stakeholder dialogue is central to the approach on a

continuing basis and stakeholder perceptions are used to judge system equity and to inform and refine corporate strategy. These authors point to the value of their model thus:

Current research identifies the challenge of turning values into processes, and this remains a key barrier to sustainable business practice...by incorporating values (organisational justice dimensions) into evaluation processes (stakeholder perceptions of system equity), the stakeholder systems model represents both a rationale and a method for achieving this. (Mason and Simmons, 2014: 79)

### ***Practitioner developments***

Again drawing on experience from practice it can be seen that, concerning the theorising of Mason and Simmons (2013), parallel efforts have been made by practitioners. This is specifically in response to the perceived lack of traction of many CSR initiatives in transforming business behaviour. One aspect of this is the development, referred to above, of the standard BS8900 Managing sustainable development of organisations (BSI, 2013). This specifies a strategic scheme, with requirements, for the management of sustainable development in the context. In this recent standard, the accent is on a values lead approach underpinned and informed by stakeholder dialogue.

Mason and Simmons (2013) point out that the multi-stakeholder consultation process that they propose is ‘underpinned by core values of stakeholder engagement: inclusivity, materiality and responsiveness...Materiality is acceptance of the need to determine the significance of CSR-related issues to stakeholders’ (2013: 84).

In relation to these views on the importance of relating corporate impacts in social, economic and environmental terms to their significance to stakeholders, it is appropriate to further consider the practitioner context. In this it is relevant to observe that these issues are referred to in the sustainability reporting setting in the Global Reporting Initiative (GRI, 2013). This is particularly in the principles for defining report content set out in this specified approach to reporting of social, economic and environmental performance. The GRI is a none profit global multi-stakeholder organisation that has the objective of harmonising and raising the quality of sustainability reporting. It is notable that the methodology it provides for reporting has enjoyed very wide take up by business (GRI, 2013). However, it is relevant to note the criticisms of Milne and Gray (2013), discussed above, on the limitations of the effectiveness

in practical implementation. This in relation to duties owed to stakeholders and to the basis of business legitimacy in this respect.

In further pursuit of this strand, and concerning research question 3 on thought leadership, it is interesting to consider emergent views of leading business actors in the ‘failure’ of current CSR and linked reporting activity. Writing on the need for corporate leaders to engage authentically with society, Lord Browne the ex CEO of BP, writing with a colleague from the McKinsey global management consultancy, refers to the need for companies to redress a substantial disconnect of the aims and objectives of business with those of the wider society in which it exists, this in the context of business legitimacy (Browne and Nuttall, 2013). Similar views are also expressed by other business leaders, notably Paul Polman the CE of Unilever (Polman, 2014).

In this critical vein, concerning perceived failure of current CSR initiatives. Browne et al. (2015:13) find that:

...the initiatives are almost always detached from the core commercial activities  
...CSR is seen as largely rather separate from the business, handled by a separate team...the CSR approach is too limited, too defensive and too disconnected from corporate strategy.

Briefly, these authors look to the formation of a new approach by business in business and society relations seeking what they express as ‘connected leadership.’ This is where management of company social, economic and environmental behaviour is emphatically strategically lead, and defined by active articulation of the contribution of the business to society. This is in which the latter is derived from and oriented by ‘authentic’ connection with society. The thrust is to strategically drive the core operation of the business in this way, while ensuring that appropriate societal connectivity is maintained at all levels in the business. It seems reinforcing that the stance advocated by these leaders is congruent with other separate efforts emerging in the practitioner community, which are also geared to strategic management and culture change through a principles based approach and stakeholder dialogue. The development of BS8900:2013, discussed above, is relevant here. Further, writing at the juncture of academic thinking and business practice, it is interesting to note that the views of Unruh (2014) coincide with this emerging stance.

It seems then that there is increasing evidence of an emerging dynamic seeking a more legitimate connection between business and society in the context of sustainable development. It can be seen that this includes the activities of think tanks and global sustainability consultancy and advocacy organisations. In this respect, see for example Big Innovation Centre, 2017: Globescan-BBMG, 2017: Globescan-SustainAbility, 2017.

Thus, following the research aim which is concerned with change dynamics, it is apparent that these considerations around authentic connectivity of business with society are also congruent with the discussions below in the next section on system conditions for sustainability. This can be seen to be particularly resonant with the notion of social cohesion, provided by Metcalf and Benn (2012), discussed below.

## **2.6 System conditions for sustainability**

### **2.6.1 General considerations**

#### ***Deficiencies in the corporate form***

Addressing research question 1, a consideration of the criticisms of the corporate form in the current circumstances of globalised capitalism is relevant. The work of Metcalf and Benn (2012) is interesting here. This is set in the context of complex adaptive systems theory (CAS) and institutional theory. The particular pertinence of CAS theory is given meaning, by these authors, in terms of sustainability by extending it to encapsulate the concept of sustainability as ‘complex interconnected and dynamic environmental, economic and social systems within which business is embedded as an agent on earth, referred to more simply by the acronym: CIDEESS’ (Metcalf and Benn, 2012:199). In this they bring focus onto the complex and interacting nature of issues pertinent to sustainability. They emphasise the need for organisations to be able to understand and respond to feedback from the CIDEESS through the formation of appropriate strategies for CSR.

These authors argue that the predominant current corporate form is degenerative, it is ‘failed social technology’ (Metcalf and Benn, 2010:196) in that it is not contributing to the social

purpose of human welfare generation in social, environmental and economic terms.

Operating in the globalised context it is not responsive to the needs of society as expressed in the CIDEESS. They argue that this is because the current corporate form is a design for a machine which is for short term profit. It follows an approach which is too reductionist and does not encourage the type of holistic thinking, on the part of managers and leaders to engage and respond the complexity of the CIDEESS.

Metcalf and Benn (2010) find that the effect of this is to cause the entity to be involved in crises which it fails to anticipate / may contribute to as an agent. This results in events / failings, with negative consequences for stakeholders. The effect of this is that organisations continue to require re-setting when they arrive at the crisis point. They then proceed with a continuing none holistic approach to the CIDEESS until they are involved in the next crisis. They are trapped in ‘emergent crisis behaviour’ (Metcalf and Benn, 2010:206). This results in damage to stakeholders that in the language of Kantian ethics, they owe duties to. To illustrate their point these authors give the example of the behaviours and culpability of large financial entities involved in the recent and on-going global financial crisis. They cite the poor ethical behaviour on the part of organisations including Northern Rock, Bear Sterns, Meryll Lynch, Fannie May and Freddy Mack. A perusal of this territory readily reveals that a number of other major financial institutions can be added to this list and notably, by way of example in the UK context, RBS (Hattenstone, 2009). Marquand (2014:8-9) also provides pertinent reflection on the RBS case.

It is very relevant that a few years on from the onset of the global financial crisis that there is a considerable body of informed opinion to the effect that ethical lessons have not been learned by agents in the financial sector. The allegation is that there is failure to respond and indeed considerable active resistance to an appropriate response to change signals arising in the CIDEESS. This concerns such matters as risk control, reward systems, short-termism, manipulation and perceived greed. In this action is sought from the industry to provide a response to curb reckless and unethical behaviour which is geared to short term profit, and personal enrichment, at the expense of global economic sustainability. This is situated in the reality of massive expenditure of taxpayers money to enable the survival of financial entities seen as too big to fail and thus unjust protection and perverse reward of the individuals and elites leading them (Stiglitz, 2010).

In this vein of continuing failure to respond appropriately to the CIDEESS it is interesting to consider the comments and opinion of notable figures in regulatory institutions. Monaghan (2014) reports on the view of Mark Carney, the Governor of the Bank of England, in which the latter warns that poor ethical behaviour of bankers including the taking unjustifiable rewards is against the ethics of justice; it is undermining of capitalism itself and the stability of the society in which it operates. In this article Carney's view that social capital, and by implication sustainable development, is being eroded by a distorted adherence to a form of substantially unregulated market fundamentalism (Marquand, 2014). This article by Monaghan (2014) reports his concern that further catastrophic failure of the market system is likely due to the lack of holistic response from the agents in the banking sector.

Further in this vein, Monaghan and Allen (2014) report on the views of Christine Lagarde, the Head of the International Monetary Fund, which include the following:

The behaviour of the financial sector has not changed since the crisis. While some changes in behaviour are taking place, these are not deep or broad enough. The industry still prizes short term profit over long term prudence, today's bonus over tomorrow's relationship. Some prominent firms have been mired in scandals that violate the most basic ethical norms - Libor and foreign exchange rigging, money laundering, illegal foreclosure. (Monaghan and Allen, 2014:19)

The article goes on to report the views of Lagarde that the behaviours of leading financiers in the large financial institutions are on course to cause a further catastrophic collapse of the global financial system and also that the financiers continue to exercise their position of power to vigorously resist attempts at regulation. This is together with the inference that bankers are prepared to risk this as they hold the view that their own positions will be secure because governments will continue to support their institutions as too big to be allowed to fail. Thus, the activities of a number of agents in the global financial sector are not responsive to the needs of society as expressed in the CIDEESS, as defined by Metcalf and Benn (2012) and so act against sustainable development.

Similar criticisms can readily be found in other sectors in their contexts. In this a daily perusal of the quality press readily reveals cases pertaining to criticisms of social responsibility in MNCs, which can be related to their failure to respond to the CIDEESS. A



number of these cases could well be framed as classic examples. The case of the British company BP in the recent catastrophic oil spill in the Gulf of Mexico (Rushe, 2015) would be seen by many as a clear candidate for this category.

### *Need for holistic response*

To move to a situation in which corporations respond in a holistic way to the signals that emerge from the CIDEESS Metcalf and Benn (2012) point to the need for leaders, to address their responsibility. This is to ensure that the corporation, as a 'technology,' fulfils social goals and this is through in understanding of the wider system issues in which the organisation is embedded. They refer to the importance of change management and to 'the need to accept and promote leadership thinking linked to the CIDEESS that would link the corporation with a social conscience' (2012: 201).

In pursuit of improvement these authors refer an approach grounded in human factors theory in the context of corporations as (failed) technology and to improvements that can be brought about in making 'them better functionally fit the human social environment and hence the CIDEESS' (2010:201).

Concerning research question 3 on thought leadership, for these authors testing of fit for purpose can be carried out by testing against the conditions of Efficiency, Adaptivity and Social Cohesion. Efficiency is equated with the traditional business imperative, with internal management and in this can be interpreted in relation to existing conceptions of the triple bottom line. Adaptivity is an internal consideration of alacrity in interpretation of what actions need to be taken by the organisation to respond to change signals. It is concerned with capacity to change internally in response to external messages from the CIDEESS. This could perhaps be seen as analogous to the biological concept of information transfer and response across a cell membrane. Concerning Adaptivity, these authors identify the place of leadership here and also of change management, development of appropriate management structure and so on. It seems relevant to observe here that this thinking resonates strongly with the views of authors writing for the practitioner community and looking to encourage positive change in response to the indications of the need for sustainable development. See for example Doppelt (2003), Grayson and Hodges (2004).

The third test parameter of Metcalf and Benn (2012) for fit for purpose, social cohesion is framed in relation to:

...an organisations psychological boundaries and its abilities to link closely with the CIDEESS through the communities it engages with. An organisation with a highly porous psychological boundary would be able to link strongly with community and therefore would engage more actively and openly with the wider socio-economic system. (2012:204)

In relation to the citation above, concerning the conception of porous psychological boundaries, it may be useful to consider the meaning of this by linking again to the practitioner context. Here the example discussed above in the Ethics and Stakeholder Engagement section concerning the standard BS8900 Managing sustainable development of organisations (BSI, 2013:20-21) can be brought to bear. This is concerned with evidence from practice in the built environment sector of the positive activity of members of the organisation in interface with external stakeholders in pursuit of activity which meshes with the CIDEESS. Following Metcalf and Benn (2012) this illustrates an approach ‘that mediates the link that the organisation has with the wider system and that mediates needed internal changes’ (2012: 204). These authors make explicit the agency role of the organisation in the CIDEESS and provide a visual depiction of the relationships involved.

The thrust of the theorising of these authors is to move more towards a position in which failure of CSR in the context is attributed to system failure problem in adaption to the social imperatives, rather than a moral problem concerning the individuals concerned. This is from the perspective of the complexity of the issues in play and the need for organisations to be learning organisations, so that they do not succumb to emergent crisis behaviour. In this the central place of leaders in enabling the correct culture, structure and strategy is emphasised and ‘the best way for improving the organisation’s link to the wider CIDEESS through holistic system based thinking and leadership’ (2012: 205) is argued. These authors bring out the complexity of the task and the pressure instead to narrow down in the face of this and complexity leadership is addressed; it seems that rather exceptional leadership is indicated. The meaning, complexity and nature of the leadership task is further illustrated, for example, by Grayson et al. (2018) and by Sauerwald and Su (2019).

It is evident that the emergent views of business leaders discussed above (Big Innovation Centre, 2017: Browne and Nuttall, 2013: Browne et al., 2015: Globescan-BBMG, 2017: Globescan-SustainAbility, 2017: Polman, 2014), on the failures of business in the context are highly resonant with this theorising of Metcalf and Benn (2012).

The failure to respond to the social, economic and environmental indications from the CIDEES is also resonant with the work of Isaksson et.al (2010) concerning systems models for sustainable development in supply chains; this is discussed in the next sub-section.

## **2.6.2 Supply chain considerations**

### ***Need to move from a functional view to a process view***

Concerning research question 1, and directly relevant to the consideration above on failures to provide adequate response to the CIDEES, Isaksson et al. (2010) open their discussion on SD management in supply chains with an illustration of the failure. This is in that, despite clear scientific evidence of climate change, business fails to exhibit appropriate behaviour change. They articulate failures in SD management as ‘causes to change failures’ and in this find a need for ‘a process-view in organisations’ (2010:425). Echoing the views of Metcalf and Benn (2012) these authors advocate a solution that is concerned with change management and culture change. They argue that a move from a functional view of organisations, that is addressing organisations as functional sections and management in functional terms, to one that focuses on a process view and is situated across internal functional boundaries is needed. Articulated as a logical progression, they extend this across organisational boundaries to include the wider process of supply chain management and rationalise the gains to be made in relation to SD management in this. These authors provide orientation in a number of ways - in terms of process review, in relation to thinking across and making links between business ethics, stakeholder theory and the legitimate premise of the stakeholder approach, and in relation to quality management. Innovation is expressed as key to making progress toward SD in organisation product and process. Building on existing theory they suggest a viable systems model for sustainable development.

As was the case with the theorising of Metcalf and Benn (2012), as mentioned above, it is interestingly the views of Isaksson et al. (2010) resonate, in a more academic frame, with the

views of authors writing for the practitioner audience and seeking to engender a change dynamic in practical context (Doppelt, 2003; Grayson and Hodges, 2004). They also show coherence with the views of writers in strategic management (Hart and Milstein, 2003; Porter and Kramer, 2011).

### *System focus*

Concerning research question 3 on thought leadership, Isaksson et al (2010) then, advocate moving to a position in supply chains in which the problem(s) in terms of SD is clearly expressed and then to define a process approach to its resolution with the focus on the entire supply chain. This is captured as the viable systems model for SD. As indicated, the advance is to move away from the old paradigm which has a functional focus, with each part being considered separately, and to move to a system focus where a comprehensive strategy is applied and synergies are fundamentally employed in a framework of opportunity seeking, rather than one that is limited to risk control.

Thus, a framework is provided in which to consider the multi-stakeholder approach needed to make progress in conceptualising what SD means in the particular value chain under consideration and expressing this in action. Here, stakeholder theory would indicate a normative approach (Crane and Matten, 2010; Doherty et al., 2009).

It would seem that a principled approach, conceptualising SD management in the supply chain and in consideration of the legitimate requirements of internal and external stakeholders at all relevant points in the supply chain should provide an appropriate frame for managing SD in supply chains. The prerequisite of this is stakeholder dialogue in the various sub environments for actors up and down the supply chain. These authors throw light on the moral purpose of this and on the self-interest dimension for the businesses concerned. The crucial place of innovation in the various parts of the chain is indicated. These authors find the need for leadership in this and they foresee a moral imperative for the strongest actor in the supply chain to show this leadership. It is perhaps interesting that this reference of the moral imperative aligns with the exhortation of Noland and Phillips (2010), discussed above in the section on Ethics and Stakeholder Engagement, concerning the moral purpose of the firm and also to appropriate discourse with stakeholders.

Taking into consideration the practical realities of business operations and interactions that pertain for the organisation in the supply chain, it is evident that, as indicated in the cases discussed above, the process can follow a plethora of issues concerned with SD. It is clear that, raising of the issues needs to take place in a dialogue between the stakeholders concerned. By way of example this may be achieving carbon reduction in the value chain or reduction in material use intensity or waste generation. It may be social aspects of sustainability such as the treatment of commodity suppliers as in fair trade, or treatment of indigenous populations as in the oil or other extractive industries. It may be internal issues such as treatment of workforces, duties to and rights of employees and so on.

Relevant to research question 3 on thought leadership, the work of Isaksson et al (2010) indicates that, whatever the SD issues relevant in the supply chain in question, the key is to apply principles of change management so that the overall system is set in a way that encourages SD. It seems axiomatic that SD is in this sense a social construct formed on the basis of dialogue between stakeholders. It comprises:

- Interactions between the actors in the supply chain itself.
- Interactions of each of the actors in the supply chain with the external operating environment in that part of the supply chain.

To direct activity in this viable systems model for SD in a supply chain, a key step is to provide a strategic head in the form of a legitimatised thinking space – the ‘thinking chamber.’ This ‘headspace’ requires strategic leadership input concerning, the driving of SD system conditions. The inference is that due to this strategic engagement, the explicit SD element is aligned with business strategy.

Attention is on stakeholder dialogue / interactions in each of the sub environments and also up and down the supply chain. These authors utilise case studies in the cement manufacturing industry and the mobile phones industry to test against the model. In this they find that the improvement potential in the supply chains considered has not been achieved because of a failure to engage systems thinking and to provide the facility of a thinking chamber in the supply chains.

### **2.6.3 The emerging notions of business purpose**

#### ***Transformation towards sustainable business practice***

With reference to the theorising of Isaksson et al (2010) and Metcalf and Benn (2012) on system conditions for sustainability, relevant to research question 3 on thought leadership, it is useful to also consider views emerging from the practitioner community concerning the development of systems thinking in pursuit sustainable business practice. Benady (2015) reports on a workshop held by the Guardian Newspaper in association with the accountancy and consulting company PwC. Interestingly this reveals considerable alignment of the academic and practitioner views. Drawing on a range of expert input the outcomes of this workshop underline consensus on the need for systems thinking in making business transformation towards sustainable practice. The proceedings, however, indicate that this is still very much at the early stages of a learning process for organisations.

Aligning with the views of Metcalf and Benn (2012) opinion is expressed in this report from Benady (2015), that finger pointing at the failure of individuals in business is not constructive in making progress and that the ‘problem’ should be identified and resolved as system failure. Captured in practical terms the report illustrates an approach that equates to increasing the sensitivity of the organisation to feedback from the CIDEESS. In this the development of holistic thinking is advocated. The need for collaborative and participative activity is pointed to and the imperative for new types of partnership working, with a system wide focus, is brought out.

Seeming to fit closely with the view of the need for organisations to have a ‘social conscience’ and ‘fit the human social environment’ (Metcalf and Benn, 2012:201) the report from the workshop includes discussion on moving the core purpose of business beyond the financial imperative only. Understanding is explicitly articulated that sustainability, and the place of business in this, is concerned with human welfare. The business implications of this in defining the purpose of the firm is addressed.

Concurring with the views of Isaksson et al (2010) and Metcalf and Benn (2012) the problem of silos in organisations is identified by the workshop. The report explicitly refers to this as a cause of failure to effectively address system conditions for sustainability. Obstacles in way

of inappropriate structure and with reference to power bases are discussed concerning failure to transcend internal and external boundaries.

It seems useful to return here to the discussion above on the deficit in legitimate connectivity of business with society (Browne et al., 2015). Recent clear illustration of the meaning of this view is captured by Reinecke et al. (2019), who refer to a study concerning working conditions in the supply chains of the globalised apparel and food sectors. In this they criticise current CSR initiatives as ‘sticking plaster’ (2019:14), being peripheral and concerned with treating the symptoms, while the downward pressure on workers rights continues. In this their views also align with the views discussed above of Schwartz and Tilling (2009) on context for stakeholders on the ground and on the tendency to default to perceived corporate self-interest. They also align with the views of Metcalf and Benn (2010) and Isaksson et al. (2010) on the need for systemic change. Reinecke et al. (2019), bring out the complexity of the issues in the sector supply chains they consider. They advocate the need for new business models, finding that:

Contemporary consumer society and the lowest cost supply chain model has come to be the dominant model of how goods move from producers through to consumers. At its heart is a drive to reduce production costs, particularly labour costs. This model can extract a high price: examples such as the Morecombe Bay and Rana Plaza tragedies hit the headlines, but smaller scale incidents are happening daily, often unbeknownst to the retailers and consumers at the other end of the supply chains. Ignorance of the facts is no longer acceptable: business models must put labour rights, alongside other previously uncoded externalities, such as waste and climate change, at the centre of their agenda. Many firms have adopted a ‘compliance’ approach which is based upon the development of codes of conduct and associated audits. By their very nature, these approaches are defensive, seeking to eliminate problems rather than to develop a positive business model which puts human and labour rights at the centre of overall business strategy. The aim of this report is to stimulate a debate about and evaluate opportunities for new business model approaches. (2019:11)

### *Articulating the meaning of business purpose*

Further concerning research question 3 on thought leadership and generalising this discussion, it is interesting to observe that, with reference to business and SD and the need for new business models, this discourse is emerging in the practitioner community as a consideration of business purpose (see for example, Big Innovation Centre, 2016: Burrows, 2017, Elkington and Zeitz, 2014: Globescan-BBMG, 2017: Globescan-SustainAbility, 2017: Haski-Leventhal, 2018: Fink, 2019: Grayson et al., 2018: McKinsey, 2014: Polman, 2014: Unilever, 2018: Volkman et al., 2020). Concerning the need for generation of positive business models advocated above by Reinecke et al. (2019) the purpose discussion is enhanced by Mayer (2018) in his view of the need to create alternative models which are not predicated on financial short-termism. Here he finds that much existing corporate law is an impediment in that it constrains, in the sense here, the exertion of positive corporate governance at the firm level, oriented to the ends of social responsibility.

In the general context, the essence of this purpose discussion is that companies should centralise the *material* (AccountAbility, 2013: Big Innovation Centre, 2016: Mason and Simmons, 2013) social, environmental and economic issues of sustainable development, pertinent to their business, into core business strategy and business processes. The complexion of the discussion seems interesting. For example, The Purposeful Company Interim Report (Big Innovation Centre, 2016), which is written with a UK orientation but applicable more widely - and being somewhat resonant with Browne et al. (2015) - captures business purpose thus:

The purpose of a great company is its reason for being. It defines its existence and contribution to society. It determines its goals and strategy. Underlying it is a set of values and beliefs that establish the way in which the business operates. (2016:19)

The report emphasises the importance of the creation of a correct ‘ecosystem – the law, regulation, corporate governance, taxation’ (2016:16) for the nurturing of purpose in companies, in the situation of their operating environments. The report elicits the meaning of purpose in relation to interactions with customers, employees and communities. In a wide-ranging review, it considers moral purpose, corporate culture; the nature and form of shareholding; corporate governance; remuneration arrangements, takeover legislation; strengthening the capabilities of asset owners; the need to reverse the decline of equity ownership and other matters. The range, technical content and complexity of the issues under



consideration are addressed and presented in terms of available policy options. The report indicates change needed in the UK, in an enabling context.

Situated in a global context, Grayson et al. (2018) also provide a wide-ranging review pertinent to the emerging ideas of business purpose. Interestingly, this is founded on a longitudinal annual survey of opinion on companies showing corporate leadership with a 20 year timeline. It utilises the input of sustainability experts from ‘Government, Corporate, Service and Media, Academic & Research, NGO and others’ (2018:197). This is to the end of identifying leading companies, rating them with the reasons why, and tracking changes in this on an annual basis. It seeks to follow developing trends and emerging understanding. In this endeavour these authors illustrate three eras of corporate sustainability leadership, and this is reproduced in Table 1.

TABLE 1 THREE ERAS OF CORPORATE SUSTAINABILITY LEADERSHIP Source Grayson et al. (2018:5)
<p><b>The Harm Reduction Era, 1997–2005</b>, during which period the fundamental approach was to reduce risk and negative impacts;</p> <p><b>The Strategic Integration Era, 2006–2015</b>, when increasingly doing less harm wasn’t nearly enough to satisfy stakeholders. In this era, enlightened businesses saw that a more comprehensive means of addressing sustainability was required. This meant making it part of business planning and product and service development as well as putting in place performance measurement and disclosure programs to assess commercial contribution as well as social and environmental impacts, and;</p> <p><b>The Purpose-Driven Era, 2016–ongoing</b>, in which there is stronger impetus for companies to declare and lead with values, which Leaders Survey respondents now say is the most important reason they identify companies as leaders. While still emerging and fully defining itself, this era is characterized by purpose-driven performance. Today’s best corporate leaders focus what they do, from supply chain management to manufacturing to marketing, through the lens of the purposeful and positive impact they aspire to have in the world through the success of their business.</p>

It is interesting that these authors have created substantial engagement and dialogue with thought-leaders in corporate enterprises, and elsewhere, in the formation of their ideas. They capture the meaning of purpose thus.

Purpose is an explicitly stated vision and authentic belief that defines the value that the company seeks to create for itself and society, directs key business decisions in the way value is created, aligns everyone in the business towards a common goal, guides how the company engages its stakeholders, and provides the organization with courage to foster positive change. (2018:52)

Here these authors point to purpose as being the crucial foundation in their consideration of the necessary attributes of corporate sustainability leadership. They explain that this must then be underpinned by other attributes which they elucidate as plan, culture, collaboration and advocacy. This maintained in a multi-lateral context informed by the creation of dialogue with other actors in the business and society setting, these including with other appropriate businesses and members of the policy community. This being with emphasis on systemic change for SD. In the context of this work, further meaning situated in the complexity of the stakeholder interactions involved is provided for example by Volkman et al. (2020).

It is interesting to further consider current emerging dynamics in the practitioner community. Here it seems appropriate to refer to an example from the investment industry. In this BlackRock is a very large asset manager and the activism of Larry Fink the CEO has become notable. This is illustrated in the letter, from Larry Fink, to CEOs in companies that Blackrock invests in on behalf of its clients (Fink, 2018).

Without a sense of purpose, no company, either public or private, can achieve its full potential. It will ultimately lose the license to operate from key stakeholders. It will succumb to short-term pressures to distribute earnings, and, in the process, sacrifice investments in employee development, innovation, and capital expenditures that are necessary for long-term growth. It will remain exposed to activist campaigns that articulate a clearer goal, even if that goal serves only the shortest and narrowest of objectives. And ultimately, that company will provide subpar returns to the investors who depend on it to finance their retirement, home purchases, or higher education. (2018:1)

The exhortation to the CEOs of major companies to adopt business purpose is further illustrated in the letter to CEOs of 2019 (Fink, 2019). This progresses the approach and refers to Blackrock's investment engagement strategy – referring, in the companies in which Blackrock invests, to business purpose, business strategy, corporate governance, the provision of incentives for the long term and to other matters. It seems significant that Meynhardt (2019) writing in the context of public value, framed as the common good, refers to the power of this call. However, it is interesting to note that comment exists to the effect the BlackRock's investment managers are failing to move sufficiently to influence behaviour change pertinent to climate risk (Pratley, 2019).

### *Potential for improvement in business and society relations*

Considering the situation of mainstream corporate business, and concerning research question 1, it seems clear that the extant level of criticism of the performance of many corporate businesses in the context of CSR is well grounded. However, regarding research question 3 on thought leadership, the extent of the emerging positive effort - on the part of some businesses and business organisations, working with wider stakeholders is apparent. It seems that the intention, on the part of some, is to move a genuine improvement dynamic. This is one which is not confined to some form of marketing strategy, and may be represented in the frame of this developing purpose conversation which is occurring in the practitioner community. However, it is notable that some commentators would reserve judgement on this pending further evidence of substantial change in actual outcomes in the way of positive change for stakeholders on the ground.

This stance is illustrated in the consideration of a recent initiative of the American Business Roundtable (BRT), which is a lobby group comprising leaders of major US corporations. Situated in the context of growing inequality (Alverado, et al., 2018: Byanyima, 2017: Joyce and XU, 2019: Kalinina and Shand, 2018: Oxfam, 2018: Picketty, 2014) and evident increasing public and political anger, the BRT has produced a statement with the intention of re-purposing US corporations away from the shareholder primacy principle. This is to one that is also dedicated to the legitimate interests of other stakeholders, including suppliers, employees, the environment, communities and customers and with a shifting of the emphasis to long-term value for shareholders (BRT, 2019: Goodley and Neate, 2019). It is interesting to note the views of Henderson and Temple-West (2019) and of Elliot (2019) in response to this initiative. While they welcome it as a positive business and society dynamic, they report reservations, seeking further details of the purported approach. Elliot (2019) questions if the initiative could be posturing to prevent a more drastic legislative approach by government. This view is resonant with the opinion of Giridharadas (2019) to the effect that the corporate elite engage in hegemony to maintain their position, while excluding or usurping government legislative intervention.

In this vein it seems interesting to consider a recent intervention of the Governor of the Bank of England, Mark Carney. This concerns the performance in the financial sector pertinent to

the agreement of world leaders in the Paris climate accords (UN Climate Change, 2015) to limit global heating this century to as near as possible to 1.5C above pre-industrial levels.

Reported by Partington (2019) Carney, refers to:

...the multitrillion-dollar international capital markets – where companies raise funds by selling shares and bonds to investors – are financing activities that would lift global temperatures to more than 4C above pre-industrial levels. (Partington, 2019)

Thus the assertion is of current market failure in the financial sector, on this major issue, and this clearly links to the debate in this space.

However, it is interesting to note the release of the business purpose dynamic captured in the discussion above. Pertinent to the research aim of exploring change dynamics, it appears that it contains the potential for improvement in business and society relations.

### ***The Benefit Corporation***

Closely aligned with the dynamics in the discussion above, and centred on business purpose, is the recent emergence of the Benefit Corporation (BC). Relevant to research question 3 on thought leadership, it is a new legal form, developed in the US context. The BC is set as a response to the history and perception of shareholder primacy, to the wish to avoid litigation in connection with this, and to the tension that this causes concerning the rights of other stakeholders and the resulting inhibition of the development of authentic CSR (Ciepley, 2019; Giridharadas, 2019; Grayson et al., 2018; Hillier, 2013; Kim et al., 2016; Wilburn and Wilburn, 2014). It is concerned with business purpose and is directly relevant to the critique of Metcalf and Benn (2012) above in which the predominant current corporate form is characterised as failed social technology. This is one in which human welfare and SD are substantially disregarded in sole pursuit of the short-term profit maximisation principle.

Concerning the new BC form, Hillier (2013) explains that:

Because the business entity called a corporation is a creation of the law, not existing separately in nature, it can be modified to meet the needs of society; corporate law scholarship is therefore relevant to the debate of how the social responsibility of a business relates to corporate duties. The Benefit Corporation (BC) is a new legal entity, created by recent legislation in nine states. The primary distinction of a BC is that it is legally obligated to pursue a public benefit in addition to its responsibility to return profits to the shareholders. It is legally a for-profit, socially obligated, corporate

form of business, with all of the traditional corporate characteristics but with required societal responsibilities. (2013: 287)

In her analysis which provides useful explanation of the development and unfolding of the US 'corporate law - CSR link' (2013:290), including through the use of cases, this author also clarifies the differences between the closely related endeavours embodied in the development of the BC and the BCorp. The BCorp being a voluntarily undertaken certification scheme provided by the B Lab, a non-profit certification entity, which enables certification to 'a certain level in social responsibility standards' (2013:290). She provides the following in relation to B Lab:

B Lab seeks "systemic change" ... in two ways: by differentiation of socially positive actions from marketing ploys, and by providing a solution for "existing corporate law that demands that business prioritize shareholder value maximization to the exclusion of the value created for all stakeholders." It acts in three ways: providing a certification for "good companies," encouraging responsible investment by providing ratings that can be used by investors, and promoting a new legal business entity that will be more socially purposeful, accountable, and transparent ... (2013:290)

This author refers to the certification process and requirements which include, in accordance with the particular law of the state involved, revision of the organisation's articles of incorporation. She emphasises that BCorp certification in itself does not alter the organisation as a legal entity and that the 'BCorp intersects with corporate law at the point that changes to articles of incorporation ...are required' (2013:290). The detail of this incorporation being dependent on the particular state statute. In this she explains that 33 US states have adopted constituency statutes which allow directors to take a wider view of stakeholder interests, concerning company activities, that is not confined to profit maximisation for shareholders. Further, she confirms that some states do not allow for an approach other than that confined to shareholder profit and in which any serving of wider stakeholder interest considerations remains at risk of being contested by legal challenge. In this respect she notes that 'B Lab has been the primary promoter of specific BC State statutes, and has encouraged Model BC legislation for adoption by state legislatures' (2013:291).

She brings out the following in relation to the BC and BCorp comparison:

Thus, although the genesis of the Business Corporation movement evolved from the non-profit group (*B Lab*), the legally created BC is independent of BCorp. *A business may chose to be a BC without being a BCorp and without being certified by B Lab.* (2013:291)

Turning to the legal form of the BC this author points out that nine US states have a BC statute, drawn in large part from the model law provided by B Lab, in which ‘ a goal of the legislation is to is to create a new understanding of corporate identity by building consideration of social and environmental considerations ...into the Corporate DNA’ (2013:291). Thus - in those states where the facility is available- by voluntarily taking the action of incorporating in state law as a BC, a business entity - while still being for-profit - can follow the wider endeavour of pursuit of the legitimate interests of other stakeholders in the context of SD. This while being supported in a secure legal environment to undertake this course.

It is interesting that, writing in the practitioner context and in the setting of their views on business purpose, Grayson et al. (2018) writing on BCs find that ‘we are intrigued by their potential and what they represent – the notion that corporate charters (a means of expressing Purpose) can be written or re-written to better balance shareholder and societal interest’ (2018:170). These authors point to a significant small but growing number of companies, a few thousand that have achieved BCorp. They point out that while these are mostly small and entrepreneurial, a handful of large players are now taking this up. Examples of this include Danone (Danone, 2019) and Natura (Natura, 2019). A perusal of the websites of these companies gives a sense of the change dynamic concerned.

Also writing in the practitioner context, it is interesting to follow the description of the process and ideas of BCs provided by Giridharadas (2019). This author provides illustration of the nature and extent of the change of mindset indicated and also of the effort involved. This reorientation of business model is also summarised by Kim et al. (2016:5) as a ‘reimagining’ of business organisation and structure.

It seems important to set these debates on system conditions for sustainability in the context of the reality of rapidly expanded globalisation, and this is the intention of the next section.

## **2.7 Globalisation**

### **2.7.1 Section Orientation**

The aim of this section is not the provision of a definitive examination of all aspects of globalisation, a task beyond the scope of this study. Indeed, Dicken (2015) refers to the complexity of globalisation and to the variety of drivers and processes involved.

The purpose here rather, is to align some key aspects of globalisation with the discussion above in the section on System Conditions for Sustainability. It is to illustrate globalisation theory as a frame in which to understand the behaviour of MNCs acting as agents in the CIDEESS (Metcalf and Benn, 2012).

### **2.7.2 General**

#### ***Increased extent of globalisation***

Writing at the turn of the millennium Held et al. (2000) seek to provide a summary of the meaning of globalisation, in this they raise the point that globalisation is best captured as a set of processes.

Globalisation can usefully be conceived as a process (or set of processes) which embodies a transformation in the spatial organization of social relations and transactions, generating transcontinental or interregional flows and networks of activity, interaction and power. It is characterized by four types of change:

- It involves a stretching of social, political and economic activities across political frontiers, regions and continents.
- It suggests an intensification or increase in magnitude of interconnectedness and flows of trade, investment, finance, migration, culture and so on.
- The growing extensity and intensity of global interconnectedness and processes, as the evolution of world-wide systems of transport and communication increases the velocity of the diffusion of ideas, goods, information, capital and people.
- The growing extent, intensity and velocity of global interactions can be associated with their deepening impact, such as effects of distant events can be highly significant elsewhere and even the most local developments may come to have enormous global consequences. In this sense the boundaries between domestic matters and global affairs become increasingly blurred. (2000:15)

### ***Power and influence of MNCs***

Pertinent to the consideration of MNCs and their performance in the CIDEESS (Metcalf and Benn, 2012) in the context of CSR in this thesis, and relevant to research question 1, Held et al. (1999) find that:

Today globalisation of production is organised in large measure by MNCs. Their pre-eminence in world output, trade and investment and technology transfer is unprecedented. Even when MNCs have a clear national base, their interest is in global profitability above all. MNCs have grown from national firms to global concerns using international investment to exploit their competitive advantages...MNCs play a much more central role in the world economy than in the past and they figure prominently in extensive and intensive transnational networks of co-ordinated production and distribution that are historically unique. (1999:282)

Dicken (2015) characterises the current intensification of globalisation, compared to even recent decades as, ‘deep integration organised primarily within and between geographically extensive and complex global production networks (GPNs)’ (2015:6). He explains that GPNs are what is involved in the making of both products and services. This includes the operations of inputs, transformation, distribution and consumption in a two-way model forming a circuit which is served by technology inputs, energy inputs, service inputs, and logistical inputs. The whole being in the bounds of a financial system and being subject to regulation, co-ordination and control.

This author describes the complex interactive dynamics between the actors involved in GPNs. He identifies these as being transnational corporations (TNCs) - referred to elsewhere as MNCs with the same meaning, states, labour, consumers, and civil society organisations. He brings out the texture of the discursive processes involved. Referring to the discussion in the sections above on Stakeholder Considerations, Ethics and Stakeholder engagement and System Conditions for Sustainability, it can be seen how important the nature and outcomes of this discourse is in relation to making progress, or not making progress, towards sustainable development.



On the power and influence of TNCs, in the context of GPNs; Dicken (2015) points out that they are the prime mover in the shaping of the geoeconomy through their activities in the coordination and/or ownership of GPNs. He identifies three key aspects in this:

- Their ability to coordinate and control various processes and transactions within GPNs, both within and between different countries.
- Their potential ability to take advantage of geographical differences in the factors of production (e.g. Natural resources, capital, labour) and in state policies (e.g. Taxes, trade barriers, subsidies etc.).
- Their potential geographical flexibility – an ability to switch and re-switch their resources and operations between locations at an international, or even a global scale.

(Dicken, 2015:59)

### ***Contributing to, or detracting from SD***

This author underlines the power and influence of TNCs as being important virtually throughout the global socio-economic system. As indicated, and pertinent to research question 1, it seems clear that a further strand of this is their importance, in the context of the discussions here, is the influence of their activities in the creation of or detracting from SD. Indeed, in the face of the perceived failures on the part of governments and the major corporate business sector to adequately meet the requirements of system conditions for sustainability it is notable that the social enterprise (SE) sector has arguably grown, as one response to this deficit. This set in the context of the SE sector in its acknowledged social, environmental and economic contributions to sustainable development. A detailed consideration of the development of this sector is out with the bounds of this study, however their contribution is illustrated in the literature, see for example Doherty et al. (2014), Social Enterprise UK (2018).

In reflection on the role of TNCs in the creation of positive activity for SD, this includes a consideration of the activities of TNCs as stakeholders in the process of transnational regulatory standard setting. The latter is taken up further in the section below on Transnational Regulatory Standard Setting and the Transnational Regulatory Deficit.

On the relationship between TNCs and states, however, Dicken (2015) emphasises the highly significant continuing power of states and cautions against a popular view that they are invariably subservient to TNCs. Instead he highlights a complex and continually negotiated, often conflictual, set of relationships between states and TNCs. In this he points out that states and TNCs need each other. States seek the contribution of firms to jobs and wealth creation. Referring to TNCs:

Conversely TNCs need states to provide the infrastructural basis for their continued existence: not only physical infrastructure, in the form of the built environment, but also social infrastructures, in the form of legal protection of private property, institutional mechanisms to provide a continuing supply of educated workers, and the like. (2015:231)

Set in these dynamics, the following sub-section provides a consideration of some of the matters involved in the growing exhortations of a new global governance.

### **2.7.3 Global Governance; in pursuit of collaborative dynamics in the globalised setting**

#### ***Sought after contribution from MNCs***

In the context of business ethics, deontological ethics is discussed above in relation to its underpinning of stakeholder theory; this is from the perspective of the ethics of duty. The CSR debate is also enriched by the work of theorists which draws on the deontological perspective of rights. In this vein and in relation to the discourse on globalisation, the work of Scherer and Palazzo (2010) seems important. Concerning research question 1, these authors point to the situation that in the globalised economy firms and particularly MNCs are taking on 'de facto' political responsibilities. These authors point out that some of the social, civil and political rights of citizens, which in liberal democracy were traditionally protected / provided for by governments, are now carried out as a function of business and not by states.

This analysis provides an interesting intersection with the work of Banerjee (2008) discussed above. Pertinent to research question 1, the latter takes a different but related perspective in that it focuses on harms caused by corporations in the denial of the rights of citizens. As indicated above, this is in the denial of the rights of local operating country communities to land rights, water rights, property rights and so on.

On the provision/protection of rights of citizens Scherer and Palazzo (2010) give examples of activities including such matters as health provision, disease control and education. These authors cite the views of Matten and Crane (2005) to support their arguments thus:

...some business firms have even begun to assume a state like role. They argue that many companies fulfil the functions of protecting enabling and implementing citizenship rights which have originally been considered the responsibility of the state and its agencies. (Scherer and Palazzo, 2010:2)

Illustrative of this point it is interesting that Crane and Matten (2004:45-46) provide, for pedagogic purposes, the example of the pharmaceutical industry in the free provision of drugs in developing countries. This is for diseases encountered in these countries including malaria and river blindness, the treatment of which would otherwise be unavailable to the citizens through state provision of welfare rights. Scherer and Palazzo (2010) find that the provision of citizenship rights by MNCs is particularly evident in failed states where the governments are unable or unwilling to provide for citizenship rights.

### ***Need for new theorising on CSR – Political CSR***

A further fundamental point in the creation of system conditions for SD is that ‘national governments are increasingly facing externality problems that have transnational causes and effects, for example, global warming, deforestation, or the regulation of capital markets’ (Scherer and Palazzo, 2010:4). Pertinent to research question 1, these correspond to current crises in three of the most pressing areas for sustainable development. It seems appropriate here to add to this a fourth, which is justice or lack of justice in the international supply chains of MNCs - including extreme exploitation, taking place in the developing world countries by MNCs, see for example Nicholls and Opal (2004), Lawrence (2014).

Concerning research question 3 on thought leadership, Scherer and Palazzo (2010) emphasise that in the current reality of expanded globalisation, what can be expressed as traditional approaches to CSR theorising provide only an incomplete analysis. In these circumstances traditional economic and instrumental views of CSR fail to sufficiently address this new reality. Clearly one facet of this is concerned with the fact that MNCs, operating across national boundaries, may not operate within the constraints of ‘hard law’ (Scherer and Palazzo, 2010:12) enacted by nation states and indeed many operations of MNCs take place

in global spaces where the rule of law is not applied. A further nuance of this is that not being embedded in a particular national location MNCs, unlike in the earlier reality in which the traditional theory of the firm was developed, lose the steer provided by the moral values of a particular national context - in political, policy and cultural terms (Crane and Matten, 2004:17-20). In this respect MNCs 'operate in complex environments with heterogeneous legal and social demands so that often it is not clear which activities can be considered legitimate and which are unacceptable' (Scherer and Palazzo, 2010:5). A further aspect of the argument is that, as indicated above, unlike in the earlier reality in which the traditional theory of the firm was developed, MNCs have de facto moved into a political role through the provision of citizenship rights and the provision of public goods, in the developing circumstances of globalisation.

Referring to the international institutions such as the UN and one of its agencies, the International Labour Organisation (ILO), Scherer and Palazzo (2010) argue that these existing institutions of 'world government' are not sufficiently strong to regulate governance of fundamental aspects of sustainable development. It is apparent that new arrangements drawn up on the basis of multi stakeholder dialogue are sought after in this wider context. In this respect these authors go on to further develop their arguments for a political framing of CSR. Here the vacuum left by the reduction of the influence of national regulation in the reality of advancing globalisation is addressed and the need for a multilateral solution is argued. Being pertinent to the research aim of exploring change dynamics in the business and society relationship, this is through the vehicle of 'decentralised deliberation' (Scherer and Palazzo, 2010:12) involving positive interaction which brings together the resources and perspectives of states; international institutions, including UN, ILO, WTO; NGOs; companies; workers and consumers. It seems that this could form a forward dynamic for a strand of the research here in hand; this is taken up further below in the section on The Emergence of the UN Sustainable Development Goals. Also, it appears that there is resonance here with the theorising, discussed above, of Metcalf and Benn (2012) on CIDEESS regarding the corporation as an agent within their conceptualisation of social cohesion.

Following Scherer and Palazzo (2010) the inference is that the purpose of this decentralised deliberation is to bring about gains as outcomes which are more than the sum of the parts. This interaction is exhorted for the purposes of policy making and for the setting of global

standards, including to relevantly engage and regulate business behaviour. An interesting current illustration of the emerging multilateral approach, in the policy context, is provided by the new IMF managing Director, Kristalina Georgieva. This in relation to implementation of the SDGs in the face of increasing global concern over growing inequality:

Whether its tackling inequality or engaging on social spending, we know that we cannot do it alone. We envision this as a partnership of international organisations, academics, country authorities, civil society and private sector working together to enhance social spending policies and lay groundwork to achieve the SDGs.

(Georgieva, 2020:4)

Scherer and Palazzo (2010) frame their arguments as a political role for CSR, arguably seeking a higher-level discourse. In their theorising, they situate political CSR as a contribution to global governance in the context of the need to offset the deficit caused by the weakening of national governance, and in this respect find that:

In fact with the intensified engagement of private actors, social movements, and the growing activities of international institutions a new form of *trans*-national regulation is emerging: *global governance*, the definition and implementation of standards of behaviour with global reach. (2010:11)

Further framing this conceptualisation of '*soft law*,' that is characterised by not being enforced by state agencies and in which participation is in the sense here voluntary, these authors argue that:

...business firms engage in a process of self-regulation...that places private actors in a prominent role, not just as the addressees of public rules but as their authors.

(2010:13)

Concerning research question 3 on thought leadership, useful intersection with and reinforcement of these considerations by Scherer and Palazzo (2010) of decentralised deliberation and soft law is provided by Rasche (2010) in his discussion of collaborative governance in the context of multi-stakeholder standards for CSR. The writing of the latter author coincides with that of Scherer and Palazzo (2010), referring to the rapid expansion of voluntary governance to address a number of the issues of CSR, citing examples such as the

United Nations Global Compact, the Global Reporting Initiative, the labour standard SA 8000, ISO26000 and various others. The discussion of standards is taken up further below in the section below on the Transnational Regulatory Standard Setting and the Transnational Regulatory deficit.

### *Addressing complexity*

Again resonant with the views of Scherer and Palazzo (2010) in addressing the utility of the multi-stakeholder approach Rasche (2010) emphasises the complexity, and interrelated nature of many of the social, economic and environmental issues in play. He argues that a range of critical views are needed in sense making and makes it explicit that expertise outside business needs to be drawn on to contribute to a governance of these issues that is effective in the normative context. From the perspective of forward dynamics, it is perhaps interesting that this author brings out the importance of the learning processes for the participants of this dialogue which includes representatives from business, NGOs and the other relevant stakeholders. By implication this in the formation of knowledge intensity and innovation. Certainly this appears to correspond with experiences from the practitioner community in the setting up of cross sectoral dialogue (GRI, 2013: ISO, 2011).

In pursuit of a further progressive dynamic in collaborative governance, Rasche (2010) exhorts co-operation between existing multi-stakeholder standards which he characterises into five different types, principle-based standards, certification standards, reporting standards, process standards and integrating guidance-based standards. Moreover, this author finds that:

What is required is a more fundamental shift in our thinking about corporate social responsibility standards; a shift acknowledging that these standards are not an add-on to business activity, but that business' core operational practices and strategic positioning need to be aligned with basic principles governing the global market place. (2010:509)

Further in this context of the consideration of global standards for CSR, it seems useful to return to the work of de Colle et al. (2014). Touched on also above in the section on Stakeholder Considerations Overview, these authors make a critical analysis of problems

encountered in the making and application of CSR standards. Concerning research question 3 on barriers, they identify paradoxes in this which act to detract from the objectives sought in making and applying the standards, identifying problems including deceptive measurements, responsibility erosion and blinkered culture; they make suggestions to address these problems. For the purposes of the considerations here this is particularly in the frame of CSR standards being useful, to engender improvement in CSR performance in real world context. Thus, the indicated need is for standards to be capable of addressing, to positive end, the complex and particular operating conditions of the individual case. This to enable meaningful framing in particular cultural contexts, in the reality being experienced by the particular stakeholders in ‘that’ set of social, economic and environmental conditions. It can be seen that this view aligns with the views of Schwartz and Tilling (2009), discussed above, concerning the latter’s view of failure to sufficiently address context in the implementation of the ISO26000 standard.

The improvement recommendations of de Colle et al. (2014) draw on ethical pragmatist theory. In this an approach is advocated where an empirical stance is taken, in which principles (standards) are tested and refined in a learning reflexive-based approach. This is predicated on fit and effectiveness in the outcomes achieved in the reality of application. These authors point to the need for designers of standards to:

...keep in mind that the abstract principles embedded in CSR standards need continuous interpretation and adaptations. These interpretations are necessarily culture relative... (2014:187)

Pertinent to research question 3 on thought leadership the points in the above citation and also very resonant with Scherer and Palazzo’s (2010) argument of the need for and place of decentralised deliberation. A position is sought in which global standards are developed which emerge from a particular form of discourse. Such discourse would recognise that the formation of an effective approach to achieving desired outcomes in global standards making, and in their application, needs to address differences in culture, particularly between that in the West and the developing world.

The consideration of different perceptions of the moral course in different cultures would seem to bring the notion of ethical relativism to bear – this is that there is no universal right

and wrong (De George, 1999). However, de Colle et al. (2014) take an ethical pragmatist position in this respect. They argue that from the pragmatic point of view, global rules can be established from appropriate discourse drawing on ‘a cosmopolitan social democratic community’ (2014:187), which builds on shared values to make agreement on global standards as the product of free and open dialogue and based on ‘tolerant reciprocity’ (2014:187). This in a process of discourse, which seems by implication to require the expenditure of some significant effort, on the part of the actors involved. These authors find that this is what is needed in the making of effective CSR standards which are useful in bringing about social, economic and environmental improvement in the context in which they are used. This in the reality of the circumstances experienced as outcomes of corporate activities by the stakeholders involved.

Reinforcing the views of Rasche (2010), discussed above, on the importance of learning from stakeholder dialogue carried out in relation to collaborative governance, de Colle et al. (2014) emphasise the importance of the learning process for those involved in standards making in ‘developing beliefs and changing existing ones’ (2014:188). It seems constructive to link these views with the theorising of Scherer and Palazzo (2010) concerning decentralised deliberation in that it appears that there is considerable alignment here and it assists in bringing out meaning in this conceptual frame. Thus, in pursuit of the research aim of exploring change dynamics in the business and society relationship it can be seen that these different authors highlight the need to further develop understanding of the indicated new discourse dynamic, in the global governance of CSR.

### ***Views on the nature of collaboration***

It is interesting that Rasche (2010), while acknowledging the value soft law through the mechanism of multi-stakeholder standards and particularly through appropriate linking of these standards, raises tensions. These tensions appear to be a matter of degree and dependant on the quality of the particular interactions of the stakeholders in the circumstances of the reality involved. In this context he also argues that ‘some problems may simply be lifted from the agendas of governments and intergovernmental institutions without much consideration of the limits of none state regulation’ (2010:502). In this it seems constructive to link these theoretical considerations with views emerging from the practitioner community. In this



respect Balch (2015) reports on a workshop held by the Guardian Newspaper in association with the accountancy and consulting company PwC.

Relevant to research question 1, the report emphasises broad agreement, among the leading experts involved in the workshop, on the need for collaboration among corporate business peers to overcome a lack of strategising for SD management on the part of corporate entities. This is set in the context of the development of soft law that is effective in accelerating the change in behaviour needed. As indicated the pressing need for a collaborative approach is argued. Also found is the need for independent organisations to be involved in facilitating / driving/ mediating the activities of MNCs in this.

The report gives the Ethical Trading Initiative (ETI) and the Consumer Goods Forum (CGF) are given as examples of the latter. This opinion on the ETI and the CGF seems interesting. By way of explanation, regarding SD management, the ETI is concerned with agreeing collaborative approaches to jointly improve the protection of workers' rights in supply chains. The ETI is a co-operation between companies, NGOs and trade unions. It is applicable to retailers, brands and their suppliers. Participating companies commit to a code of labour practice (Ethical Trading Initiative, 2018). Similarly operating in a collaborative vein, the CGF describes itself as a CEO lead organisation operating globally to secure collaboration between retailers and manufacturers and which engages other stakeholders (Consumer Goods Forum, 2018). From the perspective of SD, a notable example of CGF activity has been concerned with addressing deforestation caused by activity in commodity supply chains. It is apparent that there is criticism of the effectiveness of this CGF initiative (Harvey, 2020: Slavin, 2017: Slavin, 2018). However, for the purposes of the discussion here, it seems of consequence that the aims of both the ETI and of the CGF lay in setting a minimum bar above which corporate businesses acting in their value chains seek to drive up performance improvements in their particular contexts in a mutual way. This in terms of lifting and providing a baseline of performance expected of the participating actors, and in this sense takes place in a pre-competitive setting. It is interesting that articulation of this notion of pre-competitive space, in the context of the management of matters relevant to SD, is becoming evident – see for example Grayson (2014), Morrison (2015), Prescott (2015), Silverthorne (2017).

However, on the potential limits of none state regulation, and being resonant with the view of Rasche (2010), the workshop report of Balch (2015) refers to the need for the legislators (hard law) to step in. The nuance here is that this would be within the frame of harnessing the innovative propensity of business. This to provide innovation in solving problems in various matters pertinent to SD. It appears that this is an appropriate strand for further consideration in the research herewith.

Resonant with these views on the need for a range of critical perspectives in the setting of international standard making, and also in consideration of the complexity involved, it seems appropriate to consider the regulatory context further. This is addressed in the following section.

## **2.8 Transnational regulatory standard setting and the transnational regulatory deficit**

### **2.8.1 Scope**

#### ***The notions of responsive regulation***

With reference to the discussion above on the need to set global standards to regulate business pertinent to CSR and SD behaviours, and concerning research question 1, it seems appropriate to consider international research in regulation and governance, originating from the legal perspective. To this end the research of Abbott and Snidal (2013) is relevant; these authors (2013:95) consider the lessons learned in the progression of the notions of Responsive Regulation (RR) developed by Ayres and Braithwaite (1992) and the utility of the approach in so far as it can be extended to and made effective in the transnational setting of the current globalised reality outlined above. Abbott and Snidal (2013) refer to the fact that RR was developed in the setting of the ‘traditional’ regulation of business by the state in the domestic setting, in which the state exercises a dominant position and not in the context of the current extent of globalisation where the power of the state is eroded.

These authors confirm that traditional the ideas of RR emerged in response to perceived limitations of a state top down approach to regulatory control, commonly perceived as stifling innovation and as having a lowest common denominator effect. They confirm that RR was designed to provide instead for a combination of state regulation and self-regulation. Briefly,

this is in which self-regulation would take place within a defined legislative frame, when failure to carry out effective self-regulation would be sanctioned by specified contingent enforcement action, referred to as the ‘benign big gun’ (2013:98) on the part of state agencies. This enforcement action would escalate or de-escalate according to the response of the target organisation. Integral to the RR approach is the specific engagement of public interest groups (PIGs) in this regulatory process and it is considered in the approach that the interactive dynamics between the state agencies, target companies and PIGs is important to achieve the ends sought.

It seems evident that this involvement of PIGs (and other factors in the RR approach discussed below in the desired translation of RR to the international setting) and the associated sought after stakeholder dynamics has resonance with the discussion above on ‘societal consensus forming processes’ (Steurer et al., 2005:273); the need for, multi-lateral solutions to trans-national governance and for a new global governance through the vehicle of decentralised deliberation (Scherer and Palazzo, 2010) and to the emphasis of Rasche (2010) in his consideration of collaborative governance. This being relevant to research question 3, it seems appropriate to consider to what extent the ideas of Abbott and Snidal (2013) on the internationalisation of RR connect to these other bodies of theorising / other literature.

Writing in this regulatory context these authors articulate a desire to address the ‘transnational regulatory deficit’ (2013:96). In this they describe the burgeoning growth of what they describe as ‘transnational regulatory standard setting (TRSS)’ (2013:97). They refer to the fact that these TRSS schemes are largely voluntary and many are substantially outside the realm of the public authority setting. They are being carried out by business in self-regulation, by multi-stakeholder regulation, including by NGOs and in other arrangements.

### ***Transferability of the notions of RR to the international setting***

Directly relevant to the issues of CSR and SD, Abbott and Snidal (2013) seek to gain traction through the application of some form of transnational RR in which Intergovernmental Organisations (IGOs) can take a lead and provide direction, utilising existing TRSS schemes. This in their view is the best option to enable substantial progress in international

governance. Concerning research question 3 on thought leadership, these authors argue that insights from the RR approach can be used in developing transnational regulation and find that:

Above all, we need transnational responsive regulators in (roughly) the style of RR. IGOs are best positioned to play this role. IGOs have global scale, broad mandates, and neutrality and legitimacy stemming from multilateral state membership. Arguably, IGOs were initially intended to transfer the hierarchical Old Governance model to the international level. That approach has largely failed, however, because of states' unwillingness to delegate sufficient authority and capacity for IGOs to function like domestic regulatory agencies. Because this reluctance will persist for the foreseeable future, IGOs must take distinct approaches to RR: they must adopt regulatory strategies that are compatible with their limited authority and sufficiently unobtrusive that states will accept them.

A few IGOs have developed appropriate strategies, working through TRSS rather than attempting to employ the stronger forms of contingent regulation contemplated by Ayres and Braithwaite. By combining evidence on these developments with the insights of RR, we can identify feasible RR-like approaches to transnational regulation. This is consistent with the original vision of RR as an "attitude" that enables the flowering of diverse regulatory approaches. (2013:97).

In the vein of relating these views of Abbott and Snidal (2013) to those encountered in other literature reviewed, it is appropriate to consider coinciding views expressed by other authors in relation to the potential limitations of soft law. That is, in this sense, multi-stakeholder regulation in the absence of substantial participation by public authority in the process. In this respect, while recognising the advantages of soft law Rasche (2010) and Balch (2015), referred to above, appear to provide support for the explicit involvement of IGOs.

## 2.8.2 Characterising transnational regulatory standard setting (TRSS); the Governance Triangle and related considerations

### *The burgeoning of TRSS schemes*

Abbott and Snidal (2013) refer to their earlier work in the characterisation of TRSS schemes in which they develop a conceptual model in the form of a triangular construct, the governance triangle. This construct characterises TRSS schemes in relation to ‘the relative ‘shares’’ in scheme governance exercised by three actor groups: states/IGOs, firms and NGO/civil society organisations’ (2013:98).

These authors identify the large number and range of TRSS schemes that have arisen. Rasche (2010) concurs with this view on growth, also pointing out that:

Multi-stakeholder standards can be described as co-regulative arrangements involving civil regulation by NGOs and other civil society organisations ...but also include actors that do not belong to civil society (e.g. intergovernmental agencies and academia). (2010: 503).

Table 2 provides an outline summary of the range of schemes characterised, to illustrate some of the diversity.

TABLE 2 NONE-EXHAUSTIVE, ILLUSTRATIVE CHARACTERISATION OF TRANSNATIONAL REGULATORY STANDARD SETTING (TRSS) SCHEMES – source: adapted from Abbott and Snidal (2013:99-100) and utilising Rasche (2010)			
TRSS - characterised by actor group participation:			
<ul style="list-style-type: none"> <li>• IGO/ States;</li> <li>• Business;</li> <li>• NGOs/civil society organisations;</li> </ul> Categorised below as these groups - acting singly, - two types acting together, - three types acting together.			
ACTORS	Nature /comment	Setting / Driver	Illustrative examples
Single actor : IGO/ States	Represents earliest efforts of international regulation, based on domestic model ‘old governance’ model. IGOs propose legally binding rules to be applied by states to in state targets (firms), based on best practice. Weak propensity for enforcement. Relies on exhortation and guidance.	Hope is that states will implement in their own territories through regulation of businesses in their jurisdictions	International Labour organisation (ILO - a UN agency), treaties on workplace safety, union organisation and child labour

ACTORS	Nature /comment	Setting / Driver	Illustrative examples
Single actor: Business	Voluntary regulation. Largest volume of activity in the context of the descriptors here under consideration	1. Crisis response  2. Activity within individual businesses re their own operations and extending to their supply chains - self regulatory codes, monitoring and implementation procedures and public reporting in social, environmental and economic areas	-Responsible Care; response to Bhopal chemical emission disaster, India, 1987. ‘...global voluntary standard supported by national chemical industry associations from 53 countries.’ (Rasche, 2010). -World Business Council for Sustainable Development (WBCSD) 1992; perceived crisis in SD, business response to Rio de Janeiro Earth Summit  - Early pioneering characterised by first movers, notably the Body Shop (1991) -Currently carried out by most corporate business. Substantially criticised for lack of sustainable development context / substance
Single actor - NGO	Voluntary regulation	Crisis response	- Coalition of Environmentally Responsible Economies (CERES) ; response to Exxon Valdez oil spill environmental disaster (1989) -Rainforest Alliance; response to global problem of deforestation (1993)
Twin actor: NGO - Business	Voluntary regulation	Assurance certification against standards of performance	- Social Accountability International (SA8000); advance workers rights, third party certification scheme (1997) has ‘...over 2.000 certified factories in 64 countries’ (Rasche, 2010). - Forestry Stewardship Council; (1993), promotion of sustainable timber sourcing, third party certification scheme

ACTORS	Nature /comment	Setting / Driver	Illustrative examples
Twin actor: IGO - Business	Voluntary regulation	Fairly recent examples	-UN Global Compact (UNGC) (2000) corporate sustainability initiative, principles based, strategic orientation 'With currently more than 7,300 business and non-business participants' (Rasche, 2010). -Equator Principles (2003), risk management framework for financial institutions; responsible investing in social and environmental context.
Twin actor: IGO - NGO	Voluntary regulation	Less common than IGO – Business interaction but according to Abbott and Snidal (2013) the organisation in the next column right suggest the possibilities	- Principles for Responsible Investment (2006) 'in which institutional investors, many non-profit or socially oriented, act as civil society organisations to discipline target firms' (2013:100).
Tripartite schemes IGO - Business - NGO	Voluntary regulation	High transaction costs indicated	-Voluntary Principles on Security and Human Rights (2000) -Kimberley Process on Project Diamonds (2003) -Roundtable on Sustainable Bio fuels (2007)

Abbott and Snidal (2013) point out that the tripartite schemes referred to at the end of Table 2 are resonant with the provision of stakeholder dynamics sought after in RR, to the end of providing traction for that approach to be successful.

However, pertinent to research question 3 on barriers, they find the following in relation to existing TRSS schemes:

Although TRSS has rapidly expanded, its regulatory success remains limited. Single actor group schemes are generally inadequate because each individual group lacks the full suite of competencies required for effective regulation: business lacks credibility as a (self-) regulator; NGOs often lack business expertise, resources, and access, and face their own legitimacy problems; and IGOs lack direct regulatory authority and enforcement capacity ... Even collaborative schemes are typically deficient in important respects, and their coverage is spotty. (2013: 100)

### *Comparison of traditional RR and its application in the international setting*

These authors provide a tabular comparison, contrasting the traditional RR approach and the now burgeoning TRSS schemes. This is reproduced below as Table 3.

TABLE 3 RESPONSIVE REGULATION VERSUS TRANSNATIONAL REGULATORY STANDARD SETTING

	Responsive regulation	Transnational regulatory standard setting
Identity of regulator	Focal state agency Legitimate authority	Multiple regulators Limited legitimate authority
Capacity of regulator	Full regulatory capacities Benign big gun	Limited regulatory capacity No big gun
Relation to targets	Domestic, well-defined Direct access Extensive information	Transnational, diffuse Limited access Limited information

Source: Abbott and Snidal (2013:101)

However, while Abbott and Snidal (2013) bring out the differences in RR and TRSS, as summarised in Table 3 and indicated above, they argue that IGOs should take a regulatory lead in a modified form of RR applied on an international basis. This activity being placed to guide and make more effective in the normative sense, the efforts of the large and emerging array of TRSS schemes.

These authors review the obstacles to internationalising the RR approach through IGOs, and in connection with their utilisation of TRSS schemes. This is not least in that IGOs lack the sanction and thus enforcement ability which is available in domestic RR to in-state enforcement agency organisations, operating in the traditional model. As well as lack of authority of IGOs operating in the setting, these authors raise other constraints / difficulties to overcome. They refer to the very large range and often competing nature of TRSS schemes operating as voluntary regulators to ‘fill the transnational regulatory vacuum’ (2013:101). They refer also to the multiplicity of different internal governance arrangements in these schemes; to the variation in mechanisms of TRSS regulation applied in different schemes and, relevant to research question 1, in the case of company self-regulatory approaches to the fact that efforts are frequently perceived as ill matched to the scope of the sustainability issues they purport to address (on the latter see also for example Milne and Grey, 2013: Slavin, 2017: Slavin, 2018). Thus, Abbott and Snidal (2013) paint an authentic picture of the complexity and challenge of the task and add to this the difficulties of access to, and also to



the diffuse nature of, information on transnational operations of companies by transnational regulators (TRSS schemes), including by the IGOs themselves.

In response to these challenges Abbott and Snidal (2013) seek to pursue progress through two strategies ‘regulatory collaboration and orchestration...The former resembles RR but requires adaptation; the latter is more innovative and is particularly well matched to IGOs’ limited capacities’ (2013:103) compared to the traditional application of RR which was located in the situation of the state operating in the domestic setting.

### **2.8.3 Regulatory Collaboration**

#### ***Interaction with target business organisations***

Again, while recognising that the sanction available in domestic RR is not available to IGOs, these authors argue that through regulatory collaboration, IGOs:

...can interact directly with regulatory targets relying on relatively soft inducements to gain voluntary cooperation, promote self regulation, and steer it in desired directions...In addition, collaboration helps IGOs overcome their deficiencies as responsive regulators enhancing the focality and authority, improving their access to private actors, and providing information about business activities. (2013:104)

In the context of the above citation, and being relevant to research question 1, these authors refer to the OECD Guidelines for Multinational Enterprises, for responsible business conduct, as an early example of IGOs adopting voluntary codes and promoting them to get businesses to take them up. They refer also to the UN Global Compact (UNGC) as a further IGO generated scheme example; it is principles based and moves to engage firms in an ongoing dialogue with a range of stakeholders. There also appears to be an inference that the dialogue created may serve the purpose of the IGO with respect to enhancing IGO access to businesses and to information on their activities. Abbott and Snidal (2013) refer also to ‘even broader social benefits by promoting public orientated discourse’ (2013:104). Concerning research question 3, it is apparent that this exhortation to create dialogue is resonant with the work of Scherer and Palazzo (2010) and Rasche (2010), in their exhortation of the need for multi-stakeholder co-operation in new forms of transnational governance arrangements. The

importance of creating a framework of dialogue is emphasised further by Abbott and Snidal (2013) using the example of United Nations Environment Programme (UNEP) which they point out engages firms in dialogue in a less direct stance than that of UNGC. This is one that encourages firms to create their own environmental codes and which involves benchmarking; the approach aims to set companies on a path in which they lead the development of the standard within the context of the orientation provided by the IGO.

### ***Harnessing the power of public interest groups***

These authors point out that the stances described above are based on persuasion, however they highlight the fact that the approach can be extended beyond this. Relevantly they point to the UNGC practice ‘which disseminates firms Communications on Progress to investors enabling them to reward innovators and punish laggards’ (2013:104). In the same frame they point to the EU Eco-label which enables firms to establish direct competitive advantage in the market, based on levels of declared and verified product environmental performance. Further in this respect they point out the more recent action of UNGC to publicly highlight good performers and to the stance of the International Financial Corporation (IFC) which provides finance to firms conditional on meeting social, environmental criteria and associated control and reporting activity. Moving beyond these ‘socialisation effects’ (2013:104) in the target business community, these authors undertake explicit consideration of the RR mechanism of escalation of sanction, in the event of poor performance. In the context of the identified weakness of IGOs, they argue that ‘enhancing reputational sanctions –positive or negative- is the most feasible way of strengthening IGO programmes’ (2013:105). To marshal this approach they advocate the use of iPIGs and PIGs in the formation and execution of the regulatory process. They highlight the advantages of this multi-stakeholder approach in the transnational setting and to the propensity of iPIGs and PIGs in influencing the reputation of regulatory targets.

However, relevant to research question 1, they refer again to the weakness arising from the lack of the ‘big gun’ sanction of regulatory power, on the part of IGOs, which is available in the original domestic RR. In response to this issue they refer to their second strategy which is orchestration. The purpose of this is to harness more effectively the tool of reputational sanction and maximise its application.

## 2.8.4 Orchestration

Pertinent to research question 1, Abbott and Snidal (2013) refer to orchestration as follows:

Orchestration involves iPIGs centrally in the regulatory process, including not only the promulgation of standards, but also crucial later stages, such as monitoring and enforcement. In orchestration, an IGO enlists intermediary organisations that share its regulatory goals and supports them in regulating firms or other targets through TRSS. Intermediaries may include iPIGs, civil society-based TRSS schemes, and collaborative schemes that include business or public actors. Intermediaries frequently engage in TRSS independently before orchestration begins; this helps the IGO identify organisations whose goals are aligned, and which possess needed capabilities. As orchestrator an IGO can catalyse intermediary organisations, encouraging them to focus on particular issues or targets or to adopt the desired strategies. In some cases, an orchestrator might even help create suitable intermediaries where they do not exist. Once intermediaries are engaged, an IGO can provide ideational and material support, and deploy its support conditionally to steer intermediary activities (2013: 105).

Table 4 provides, in summary form, an overview of some of the characterising factors of orchestration.

TABLE 4 CHARACTERISATION OF ORCHESTRATION AS AN ADDITION TO RESPONSIVE REGULATION THEORY, SET IN THE INTERNATIONAL CONTEXT - source: adapted from Abbott and Snidal (2013: 107 -108) as the principal source and also drawing on other referenced authors		
Note Intermediaries include - 'iPIGs, civil society-based TRSS schemes, and collaborative schemes that include business or public actors.' (2013: 105)		
FACTOR	ADVANTAGE PROVIDED BY ORCHESTRATION /INVOLVEMENT OF INTERMEDIARIES	COMMENT / SCOPE
<i>General</i> - the sought after multi-stakeholder co-operation in new forms of transnational governance arrangements, (Scherer and Palazzo, 2010, Rasche, 2010) and in this creation of 'webs of dialogue' (Abbott and Snidal, 2013: 106).	Involvement of civil society intermediaries in regulatory interactions with business targets enhances 'socialisation' (2013:106) and draws on the combined resource as a facility for mutual learning and sense making (Rasche, 2010), reflexive learning and meaningful framing (de Colle et al., 2014)	It is evident that the form of discourse is important here, in a normative context, and the work of de Colle et al. (2014) and Noland and Phillips (2010), discussed above, can be brought to bear in this respect
Poor Access to target businesses on the part of IGOs	Intermediaries have direct access to target businesses	This includes information about them
Lack of specialist expertise on the part of IGOs	Intermediaries have specialist expertise and operational capacities	This includes for monitoring company behaviour
Enhancing existing focality of IGOs	The act of orchestrating relevant organisations in the issue area increases IGO focality	

FACTOR	ADVANTAGE PROVIDED BY ORCHESTRATION /INVOLVEMENT OF INTERMEDIARIES	COMMENT / SCOPE
Enhancing existing Legitimacy of IGOs	Cooperation with well regarded intermediaries aids the perception of IGOs own legitimacy and authority	
Resistance of states to IGO interference in their affairs	IGO regulatory efforts less of a sensitivity to states if their role is indirect as orchestrators	Involvement of private intermediaries may improve domestic support for IGO intervention
Provision of new avenues of escalation in event of none response by regulatory targets (businesses)	IGOs can respond by intensifying orchestration of intermediaries	IGOs step up the material and ideational influence of intermediaries
Intensity of reputational sanctions brought to bear by intermediaries	Intermediaries possess advanced skill sets in exposing bad behaviour of regulatory targets, together with greater freedom of action than IGOs	Example of consumer boycotts lead by pressure groups
Power of Intermediaries as private domestic actors	Intermediaries may have more influence on national governments than IGOs	This takes place through political action in the domestic setting which causes governments to take regulatory action against target businesses – this corresponds with the outcomes sought by IGOs
Problem of business capture of IGOs through business exerting excess influence with the purpose of exerting the status quo and resisting meaningful change; addressing whitewash greenwash	Involvement of civil society intermediaries in regulatory interactions with business targets, acts to enhance scrutiny of the stance of business and thus reduces propensity for capture of IGOs by business	Involvement of multiple intermediaries enhances this further and also potentially increases sanctioning power through engagement of a range of actors
Problem of achieving ‘efficient capture’ (2013:106).	‘Tripartite orchestration’ (2013:107), in which IGOs involve business and civil society intermediaries in regulatory interactions adds discipline through its propensity to equate public benefits to the costs for business as part of the consideration carried out by IGOs, in the conduct of their approach	
Business confidence in IGOs	‘Tripartite orchestration,’ in which IGOs involve business and civil society intermediaries in regulatory interactions, to an extent decouples the business perception of IGOs as punitive. This enhances business trust in IGOs while maintaining the opportunity of escalation in the event of none compliant behaviour on the part of business targets.	Punishment and threats of punishment are seen as being located with civil society intermediaries
Business ethics, promotion of moral reasoning on the part of business	‘The more moral regulation relies on moral suasion rather than punishment, the more effective it will be, especially at inducing internalisation and thus long term compliance’ (2013:107).	Recognises that IGOs remain weak regulators but underlines the importance of the dynamic in play that promotes internalisation in target businesses– implication appears to be the achievement of desired culture change in business

FACTOR	ADVANTAGE PROVIDED BY ORCHESTRATION /INVOLVEMENT OF INTERMEDIARIES	COMMENT / SCOPE
Sought after checks and balances in stakeholder interactions: IGOs // iPIGs // civil society-based TRSS schemes // business	<p>-Orchestration can promote ‘contestability’ (2013:108) between iPIGs and TRSS schemes helping to ensure participation of qualified and representative individuals.</p> <p>-Contestation also acts to correctly identify <i>the</i> ‘public interest’ (2013:108)</p> <p>-Orchestration acts to create new partners where they do not exist but are needed</p> <p>-Orchestration can steer TRSS schemes towards democratic governance models, increasing their legitimacy</p> <p>-Engagement of public interest groups ‘...within regulatory process will discipline “zealous” or over-aggressive PIGs, giving them a more productive long-term interest in the success of regulation’ (2013:108).</p> <p>-In the circumstances of orchestration, iPIGs and TRSS schemes can counter tendencies in IGOs towards self aggrandizement, that is ‘...expanding their responsibilities and budgets – rather than their public missions’ (2013:108).</p> <p>-In the circumstances of orchestration ‘...With diverse intermediaries, business and iPIGs can each monitor and discipline the IGO if it unduly favours the other; the adverse interests of the two groups make it unlikely that they will combine to capture the IGO’ (2013:108).</p>	<p>There is an identified tension here in that, ‘It is important that at least some civil society based iPIGs and schemes maintain a ‘critical distance’’ from regulation so that they can maintain their traditional advocacy functions’ (2013:108).</p>

To illustrate a leading example of IGO orchestration, Abbott and Snidal (2013) take the case of the United Nations Environment Programme (UNEP) stance in the formation of the Global Reporting Initiative (GRI):

Observing a proliferation of environmental reporting standards and practices , UNEP joined forces with CERES and other civil society actors to found GRI, a multi-stakeholder organisation including business and civil society representatives. UNEP helped establish the focality of the GRI by endorsing it, encouraging governments to support it, and making modest financial contributions. UNEP support has led to recognition of GRI’s reporting guidelines as de facto international standards. (2013:105)

## 2.8.5 Addressing the deficit

### *Need for innovation*

Pertinent to research question 3 on thought leadership, it seems important to note that Abbott and Snidal (2013) do not purport that their approach of internationalising RR through the two

strategies of regulatory collaboration and orchestration provides full solutions to the weakness of transnational regulation. They do, however, clearly emphasise the value in that their approach, which is to 'expand the general regulatory toolkit, adding innovative strategies that may be applicable in other contexts' (2013:109). These authors emphasise that the lack of a 'big gun' issue remains, albeit mitigated to a greater or lesser extent.

They also point to the matter of focality. This is in that in that while frequently there is, as the RR theory anticipates, one IGO acting as orchestrator of TRSS schemes in each issue area, there is an emerging tendency of competing IGOs in the same issue area. These authors emphasise that while competition can be constructive there is also the concern of disruption and dysfunction arising in the circumstances of multiple IGOs. They point out that is in similar vein to the identified problems arising from proliferation of the TRSS schemes themselves. In this respect Abbott and Snidal (2013) refer to the example of the increasingly complex world of international environmental governance 'with multiple IGOs and treaty bodies' (2013:109). They refer also to the example in the healthcare area to the disruption of the World Health Organisation by the considerably resourced private actor, the Gates Foundation (Bill Gates ex of Microsoft).

Concerning research question 3 on thought leadership, these authors are particularly constructive in that they bring out the meaning of complexity in the setting while advocating an innovative approach to improve the deficit. Their approach is subtle and somewhat nuanced. For them RR is about a way of thinking more than a rigid prescription; the driver is to create a new dynamic which opens up the possibilities of new ways of working in the transnational setting. Further, as indicated Abbott and Snidal (2013) appear to see their contribution being placed in an operating environment in which there is space also for other initiatives and their associated innovations. In this vein the work of Rasche (2010), introduced above, is particularly resonant. While this author is writing from the perspective of the governance literature, and not from the regulatory perspective of IGOs acting towards RR, he also encapsulates the need to harness and direct the resources of TRSS schemes.

Concerning research question 1, it is interesting that Rasche (2010) while confirming that there has been a proliferation of multi-stakeholder standards schemes, also points out that the number of firms participating in them is fairly small and tends to be confined to those sectors where there have been crises that have generated public opprobrium. He cites the example of

textiles, mining and toys in this respect while emphasising that other sectors with significant social and environmental impacts have escaped involvement.

### ***Co-operation and collaboration between standards***

As indicated above Rasche (2010) characterises multi-stakeholder standards schemes into five categories, these being - principle based standards such as the UN Global Compact (UNGC); certification standards, such as SA8000; reporting standards such as the GRI; process standards such as AA1000 (management processes for integrating corporate responsibility into the organisation); integrating guidance based standards such as ISO 26000. He provides a detailed treatment, in descriptive and normative terms, asserting the propensity for and usefulness of cooperation and collaboration between schemes and their rationalisation in the context. In the categories he defines, he addresses this with respect to collaboration among standards within categories, collaboration among standards from different categories and collaboration of multi-stakeholder standards with other corporate social responsibility initiatives.

Returning to the GRI, referred to above, which has become central to the CSR efforts of business; this is discussed also by Rasche (2010). The latter is in the context of collaboration between schemes in his different defined categories. In this respect this author refers to the existing success of collaboration between the GRI and the UNGC. He refers to gains that have been made by linking the annual reporting requirement of the latter with the quality of reporting requirements specified in the GRI. Here this author finds that '(U)ltimately the value of both initiatives is stronger when combined' (2010:507). However, relevant to research question 1, he exhorts a stronger alignment between the two. This is through enhancing the existing UNGC practice of highlighting particularly good company reports by integrating this with the achievement of higher level reporting which is identified in the GRI scheme, 'such intensified collaboration would be one important step to master growth with limited resources' (2010:507). This author provides various other examples in relation to cooperation within and between the categories of multi-stakeholder standard schemes that he characterises.

### *Gaining critical mass*

Regarding research question 3 on barriers, Rasche (2010) points to the tension in relation to the large array of multi-stakeholder standard schemes that have been developed. On the one hand the proliferation increases stakeholder attention in relation to CSR performance. On the other hand in the situation of limited corporate business resources, and of partially competing schemes, there is a danger that none obtain a critical mass and so that maximum gains are not achieved. The solution to this, for this author, lies in his indicated collaboration between schemes. Resonant with the views of Abbott and Snidal (2013) on the enabling position possessed by IGOs through the strategies of regulatory collaboration and orchestration, Rasche (2010) refers to the advantage of government support for the promotion of certain schemes. However, he finds the following:

However government backing needs to be carefully balanced with the voluntary nature of corporate responsibility – standards should in no case be understood as a substitute for evolving national and supranational legislation. (2010:509)

The resonance of the theorising of Abbott and Snidal (2013) with the work of other relevant theorists, is pinpointed in the first row of Table 4 which deals with multi-stakeholder participation in the process of transnational governance. Clearly there is alignment with the views of Scherer and Palazzo (2010), Rasche (2010) and Steurer (2005) in their interpretation of the need for a multilateral approach in the management of CSR and SD. This part of the table also makes links to the associated learning, sense making, framing and contextualising matters. Further, it links to the discussion above on the type of discourse which is indicated to achieve positive end in the normative context (de Colle et al., 2014; Noland and Phillips, 2010).

This highlighting of the need for a multi-stakeholder approach is highly relevant to the implementation of the recent UN Sustainable Development Goals and to the research aim of exploring change dynamics in the business and society setting. Matters pertinent to this are considered in the next section.



## **2.9 The emergence of the UN sustainable development goals (SDGs)**

### **2.9.1 Context**

The recent UN SDGs (UN, 2015) are introduced above in this chapter, and it is worthy of note that they emerged during the course of this study. The interest in this study is relevant to their influence on business and society relations.

### **2.9.2 Engaging corporate efforts in the realisation of the SDGs**

#### **Centralising the SDGs in corporate strategy**

Concerning research question 1, sense making in the literature is at an early stage of engagement, concerning the goals. In this vein, and in pursuit of academic perspectives, it seems useful to refer to the views of Van Zanten and Van Tudler (2018) which are concerned with engagement of MNEs with the SDGs. These authors bring out the large scale and extent of the globally undertaken multi-stakeholder effort, including on the part of business, in the formation of the goals and their associated targets. They emphasise the progression involved, in the SDGs, from the earlier Millennium Development Goals (MDGs) and from the ‘‘Washington Consensus’’ - finding:

The SDGs instigate a shift from state centred, duty-based, and negatively framed agreement aimed at ‘‘developing countries’’, to a partnering-centred, opportunity-based, and more positively framed ambition aimed at developed as well as developing countries. Noteworthy also is the emphasis placed on the importance of corporate efforts in realising sustainable development. (2018:209)

These authors point to the achievement of the SDGs, in policy terms, arising from the joint effort exerted by governments and other stakeholders resulting in the leveraging in of the involvement of MNEs. They highlight the ongoing learning process for business and society around this. They also emphasise the imperative of drawing on the resources available within corporate business, as part of the drive to secure the implementation of the SDGs and to achieve the necessary change at scale. They point to the declared, and apparently developing commitment, of some businesses and business organisations to this end.

Concerning the perceived need to harness the major capital, innovation and knowledge intensity of business to the purposes of the SDGs there is increasing evidence of the expression of apparent commitment. This capturing the urgency of the need - together with

articulation of concern at limited progress so far - in a range of sources, situated in the practitioner context, see for example Business and Sustainable Development Commission (2017), Earth Security Group (2017), SDG Compass (2017), Grayson et al. (2018). Various of these sources also voice a concern that governments and the policy community are not doing enough in the way of providing policy and legislative frameworks for business to act within. In this it is asserted that sufficient meaningful dialogue between the government / policy community and business is not being carried out to align and synergise the needed public and private sector contributions. This being concerned with sending the right signals, and delineating appropriate spaces for businesses to deploy resources in and to innovate in pursuit of delivering on relevant SDGs - see for example Earth Security Group (2017), PricewaterhouseCoopers (2015), UN Global Compact-Accenture Strategy CEO study (2018).

It is interesting that, in their consideration of the literature, Van Zanten and Van Tudler (2018) find that while there is much attention to the concepts of CSR, corporate citizenship and corporate sustainability, so far there has been limited attention to the role of MNEs in the sustainable development discourse. This in terms of the extent of the contribution of MNEs to sustainable development. Rather, the prevalent focus has been one in which 'most efforts applying a CSR-related angle have studied outcomes on the performance of the firms engaging in such behaviour, rather than impacts on society' (2018:210). Pertinent to the research aim of exploring change dynamics, these authors articulate the emergence and consensual basis of the SDGs as a significant potential change agent, providing impetus for MNEs in the orientation of business strategy. They 'conceptualise the SDGs as a goal-based institution for international business' (2018:210) in which alignment with the goals confers legitimacy on MNEs.

Being resonant with the discussion contained in the sub section above on global governance, of decentralised deliberation and on soft law (Scherer and Palazzo, 2010), Van Zanten and Van Tudler (2018) emphasise that 'MNEs have expanded their involvement in international negotiations on institutional frameworks for sustainable development, including those on the SDGs' (2018:211). In this vein, concerning research question 3 on thought leadership, it is interesting that they point to the example of the positive contribution of Unilever, and the contribution provided by the CEO Paul Polman, in the formation of the SDGs. It is notable that Unilever is referred to elsewhere in this context, see for instance Grayson et al. (2018) in their consideration of business purpose. The latter authors draw on the case of Unilever and Paul Polman, together with other illustrations from

global business. See also Avery (2017), regarding support from business in the context. Also seemingly to positive end, and considering another sector; given the power and resources of the MNC ICT sector it seems significant that clear evidence of engagement with the SDGs is provided in the provision of a guide from the sector, the SDG ICT Playbook (UNEP, 2015). This is written as a co-operation, including contributions from Intel, Microsoft and international NGOs. It appears wide ranging and is aimed at harnessing the resources in the sector, to the end of supporting the implementation of the SDGs. It is apparent that this debate is of importance to the emergent notions of business purpose discussed above.

### *Need for orchestration*

Emerging then, is the perceived imperative for a private sector contribution which is set in a cooperative context - acting with governments and other stakeholders (Metcalf and Benn, 2010; Scherer and Palazzo, 2010; Van Zanten and Van Tudler, 2018). The objective being the development of a systemic approach. Voegtlin and Scherer (2017:240) referring to the implementation imperatives of the SDGs argue that ‘businesses and NGOs need to assume political responsibility by participating in the global governance of SD, and governments and intergovernmental organisations need to facilitate deliberative global governance through the responsible orchestration of these efforts.’

The complexity around co-operation in this vein is usefully illustrated in various reports set in the policy / practitioner context. By way of example two reports are referred to here. The first example, in the globalised business context, is the Earth Security Report 2017 (Earth Security Group, 2017). This gives advice on the strategic implementation of the SDGs by ‘aligning business strategies with the sustainable growth strategies that are most critical to the societies in which the companies operate.’ (2017:4). In this the report carries out mapping against the SDGs pertinent to risk in different countries. The analysis is carried out for selected industrial sectors in specific regions. Sustainability issues material to the sectors are illustrated, together with recommendations to make progress. The second report example, in the context - which is situated at the policy community / business community interface - is Transforming Partnerships for the SDGs (UN Global Compact-Accenture Strategy CEO study, 2018). This report illustrates issues while indicating positive forward dynamics through the use of case examples. However, regarding research question 3 on barriers, it is

interesting that both reports raise the matter of barriers to cooperation between business and the policy community.

### ***SDG washing***

Further concerning research question 3 on barriers, it seems important to note that, while there are positive examples of corporate business engagement with the SDGs, criticisms are emerging in the discourse concerning SDG washing. According to Nieuwenkamp (2017:1), ‘the term SDG washing points to businesses that use the Sustainable Development Goals to market their positive contribution to some SDGs while ignoring their negative impact on others.’ These matters, relating to response in corporate business specifically being concerned with failure to really connect the SDG agenda to corporate strategy, and to the cherry picking of issues/marketing approaches are also referred to by others, see for example Eccles and Karbassi (2017), Fishman (2018), Verles (2018), Verles and Vellacott (2018).

In light of the above, and following the perceived imperative to achieve change at scale by drawing on the resources available within corporate business, it appears that capturing the hearts and minds of future business leaders is important. This would seem to bring out the need for an appropriate stance, on the part of the Higher Education sector in the education of future and current business leaders. This is examined in the next subsection.

### **2.9.3 Higher Education and the SDGs**

#### ***Sought after HE contribution to business and management education***

Addressing the research aim of investigating change dynamics in the business and society setting and aligning with the discussion in the subsection above, the indicated need for HE to contribute to responsible business education in the context of SD is illustrated in the literature. In this, from a descriptive perspective, Haertle et al. (2017) provide interesting discussion of the UN Principles of Responsible Management Education Initiative (PRME). They refer to the principles on which the initiative has been drawn up, these are reproduced in Table 5. The nature of the project, which is aimed at HE business and management schools, is outlined. This is situated as an open, formative, collaborative and knowledge sharing endeavour, with a multi-stakeholder engagement model. These authors point to the initiative as a response to the need, recognised by the UNGC, to equip leaders in business with the skills and informed outlook to enable them to respond to the call for responsible management in the context of SD.

Regarding research question 1, Haertle et al. (2017) bring out meaning in relation to the historical development of the ideas behind the PRME. They capture the developing outlook towards the need for transformational change which is embodied in the SDGs, and point to ‘reimagining the way in which responsible management education is envisioned’ (2017:70).

TABLE 5 UN PRINCIPLES OF RESPONSIBLE MANAGEMENT EDUCATION (PRME) – available at <http://www.unprme.org/about-prme/the-six-principles.php>

#### **PRME Six Principles**

As institutions of higher education involved in the development of current and future managers we declare our willingness to progress in the implementation, within our institution, of the following Principles, starting with those that are more relevant to our capacities and mission. We will report on progress to all our stakeholders and exchange effective practices related to these principles with other academic institutions:

**Principle 1: Purpose** - We will develop the capabilities of students to be future generators of sustainable value for business and society at large and to work for an inclusive and sustainable global economy.

**Principle 2: Values** - We will incorporate into our academic activities and curricula the values of global social responsibility as portrayed in international initiatives such as the United Nations Global Compact.

**Principle 3: Method** - We will create educational frameworks, materials, processes and environments that enable effective learning experiences for responsible leadership.

**Principle 4: Research** - We will engage in conceptual and empirical research that advances our understanding about the role, dynamics, and impact of corporations in the creation of sustainable social, environmental and economic value.

**Principle 5: Partnership** - We will interact with managers of business corporations to extend our knowledge of their challenges in meeting social and environmental responsibilities and to explore jointly effective approaches to meeting these challenges.

**Principle 6: Dialogue** - We will facilitate and support dialog and debate among educators, students, business, government, consumers, media, civil society organisations and other interested groups and stakeholders on critical issues related to global social responsibility and sustainability.

We understand that our own organisational practices should serve as example of the values and attitudes we convey to our students.

### ***Detraction caused by business and management school evaluation mechanisms***

Further, and again authored under the aegis of the UNGC, it seems important to consider a recent report, Business School Rankings for the 21<sup>st</sup> Century (Pitt-Watson and Quigley, 2019). In line with objectives of the PRME this report refers to the SDGs and to ESG, in the context. The report points out that current evaluation systems for business and management schools may not be promoting the positive dynamic that is sought after by the PRME. The authors explain that the evaluation systems for business schools comprise of two separate parts, accreditation and the production of league tables.

They refer to how accreditation is organised and carried out by the three main agencies involved, with the general aim of improving business education but which does not rank business schools. These agencies are identified as the Association to Advance Collegiate Schools of Business (AACSB), the Association of MBAs (AMBA), and the European Foundation of management Education (EFMD). The authors confirm that the approach of the agencies is teaching process centric, and is not defining of the teaching curriculum - and this includes content relevant to SD.

Concerning the second separate component, that produced by ranking organisations, these authors provide the following on league tables:

...there exist several league tables of business schools, mainly compiled by media organisations such as the Financial Times, the Economist, US News, Business Week, and Forbes... Clearly they provide a useful service in guiding both students and employers as to where they should apply and recruit, respectively. The methods and metrics by which they judge performance have proven controversial, however, in part because they place little emphasis on what is taught and how... More importantly, observers suggest that these benchmarks have unintentionally changed behaviour as business schools compete for higher rankings. This behaviour change is precisely what one might predict, but the race encouraged by ranking publications may not always be “to the top” according to the factors that contribute to a sustainable, inclusive economy. (2019: 5-6)

Regarding research question 3 on thought leadership, these authors go on to consider possible improvements in evaluation systems in line with the objectives of the PRME, and with reference to the SDGs.

It is important to understand that there is a substantial body of literature providing critique of educational provision pertinent to SD in HE. In the context of business and management education, it seems evident that the PRME is a worthy endeavour and contains a positive forward trajectory. However, addressing the reality of much business and management education, on the ground, the literature discusses such areas as - failure to centralise education for SD into the curriculum in strategic and operational terms and consideration of the associated complexity; teaching delivered being too restricted to an overly narrow view of the financial imperative geared to the short term; teaching delivered being short on ethical content; lack of interdisciplinary approach in teaching and research; education provision being behind what is exhibited as best practice in leading businesses and other organisations; a lack of emphasis on SD matters in research, including the limited amount of research on practice for facilitating transformational change for SD and the failure to substantially tackle the related interdisciplinary imperatives and paucity of dialogue between HE and other stakeholders. Regarding this discussion see, for example, Annan-Diab and Molinari, 2017: Chartered Association of Business Schools (2019): Corporate Knights 1, 2019: Corporate Knights 2, 2019: Djordjevic and Cotton, 2011: Driscoll et al., 2017: Elkington and Zeitz, 2014: Fazey et al., 2017: George et al., 2016: Grayson et al. 2018: Haertle et al., 2017: Harris and Lyon, 2013: Inman, 2018: Kurland et al., 2010: Parker, 2018: Pitt-Watson and Quigley, 2019: PRME 1, 2019: PRME 2, 2019: PRME 3, 2019: Rusinko, 2010: Sharpe et al., 2016: Snelson-Powell et al., 2016 Weybrecht, 2016). The literature points to appropriate contribution from HE as being important in the implementation of the SDGs.

### ***Public value in the HE business and management school setting***

Addressing research question 3 on thought leadership, important in this space and extending of understanding is the emergence of recent discussion in the social science literature on the comparative erosion of the position of the university as an institution with a mission ‘in furthering and protecting the public good’ (Watermeyer and Olsson, 2019). According to Kitchener (2019) this is to the detriment of a situation in which the *public value* of University social science is appreciated in terms of it building social cohesion at different levels, and in which it addresses the grand challenges (George et al., 2016), being embedded in this discussion in the context of SD. Watermeyer and Olsson (2019) identify a new managerialism which has emerged in HE since the global economic downturn in 2008, and particularly in the context of austerity in public funding in the UK context. In this, under the

influence of marketisation, they point to a governance of universities in which the democratic model of governance, predicated on the professoriate system is reduced.

Instead a new governance based on ‘performativity’ is in ascendancy, which is ‘based upon hierarchical line management, performance targets, and appraisals and audits, which have elevated new norms of individualism, competition, managerialism, entrepreneurialism, careerism and game playing’ (Watermeyer and Olsson, 2019: 324). Here they point to detracting from a position in which individual scholars have aspiration and commitment ‘to the advancement of knowledge for the public good’ (Watermeyer and Olsson, 2019: 325). These authors capture this as being situated in the setting of pressure on academics from management elites within their institution, and point to this being associated with incentivisation in the new performativity-based governance.

Assisting meaning here Kitchener (2019) refers to the negative outcomes – for the public good - of the current system of ranking institutions and academics through the major academic journal publishers. This in which research ‘tends to be written only to the like minded and is (almost) impenetrable to the public policy makers and media’ (Kitchener, 2019:303). His argument here is that increasingly academics write research only for the purposes of achieving ranking for their institution and for the purposes of maintaining or gaining their own career position. In this vein Watermeyer and Olsson (2019) refer to a tendency in which:

... there are academic tribes and there are market players and entrepreneurial opportunists who relish the kind of rampant individualism and breed of success defined by their sole-owned achievement and singular focus on career advancement. Such a tribe of self-interested careerists...are a tribe who have relinquished their affiliation to an ideology other than the corporate and are consequently unrestricted by appeals to an academic responsibility of moral purpose and scholarly integrity. (Watermeyer and Olsson, 2019:26)

### ***Business and society, authentic connectivity on the part of the academy***

Further concerning research question 3 on thought leadership, in the context of the multilateral stakeholder contribution that is indicated for the accomplishment of the SDGs (Haertle et al., 2017: Scherer, 2018: PRME 1: PRME 2: PRME 3), Watermeyer and Olsson (2019) point, in these circumstances, to a demise in interaction with other societal stakeholders on the part of the academy in an authentic way. The latter being to follow the



course of public value, and in which the role of the academic is that of a ‘public intellectual’ (Watermeyer and Olsson, 2019:326). Instead, they point to the development of a tendency in which academics undertake public engagement in a way that is instrumental for the achievement of corporate performance related outputs in the new governance which is based on performativity. The latter not being intentionally predicated on a moral course, to the end of public value.

These authors point to a situation in which corporate orientation in HE drives a demotivation in academics to pursue public value and with reference to contribution to societal discourse, ‘to be authentically publicly involved and accountable’ (Watermeyer and Olsson, 2019:330). These authors exhort the continuing role of the academic as a public intellectual, and this is strongly indicated by Kitchener (2019), as being necessary, in facing the challenges of sense making for the purposes of sustainability and the implementation of the SDGs. This being captured by Scherer (2018) as a meta-responsibility in which HE is one player among other societal stakeholders. However, in the present circumstances of performativity and marketisation in HE, Watermeyer and Olsson (2019) cast this as placing academics in a subversive position, relevant to their employing institutions. This is in where they may place themselves in a position in which there is an ‘intentional avoidance of the university as a relational gatekeeper or broker. Indeed the university becomes almost an irrelevancy and hindrance’ (Watermeyer and Olsson, 2019:332).

### ***Strategic promotion of public value***

However, further concerning research question 3 on thought leadership, taking up these arguments Kitchener (2019) looks to indicate a positive forward dynamic. Drawing on conceptions of the public value of university social science, this author looks to promote an approach which is not dependant ‘just on individual social scientists to adopt tactics to deliver public value through their work, whilst complying minimally with (possibly conflicting) institutional demands’ (2019:313). He argues instead for the promotion of public value, on the part of university social science school leaders, through strategies to promote economic and social improvement. This to be fundamentally driven by post-disciplinary research, in a partnership context with external stakeholders. He explicitly situates this in the challenges of innovation and SD.

## **2.10 Summary of the literature review**

The criticisms of the corporate sector, in so far as it fails to secure an effective approach to the management of sustainable development that is legitimate, are reviewed and justified and the issues are examined in theoretical and practitioner context. The co-positioning of sustainable development and the activities of MNCs in their efforts towards CSR are rationalised. However, the challenge and complexity of the issues that need to be addressed are brought out. In this the formation of sustainable development is placed as a societal consensus forming process in which sustainable development is a social construct. Here it is emphasised that wide societal input is needed in sense making to solve the problems of sustainable development and that business, even when working to positive ends, cannot do it on its own.

Particular consideration is given to the creation of system conditions for sustainability in relation to the agency role of MNCs in planetary context. In these considerations, deficiencies in the nature of the corporate form and in corporate interactions with society and the ecological environment are highlighted. Need for more effective leadership, holistic thinking, organisational structure change, and culture change are emphasised. Social cohesion is referred to, in the context of the organisation linking with the communities with which it engages.

Some apparent convergence of theory and emergent views of thought leaders in the business sector and of sustainability professionals, which draws on real world experience, is introduced. This is emphasised in the need for business to increase its connectivity with and respond to the legitimate claims of wider society and to the creation of appropriate stakeholder dialogue in this respect. Explicit exhortations of a moral role for business are encountered in the literature. Here in terms of the ethics of virtue, as part of the good life, and in terms ethics of justice this is encapsulated in academic context. A review of theorising on the creation, or otherwise, of sustainable development through its representation at the level of the firm as CSR activity indicates that a progressive stance can be oriented by the creation, by MNCs, of a particular form of discourse with stakeholders. It is at different levels and in different frames. This is surfaced for example in relation to the corporate governance of the entity itself. It is also implicit or explicit in the creation of dialogue to facilitate multilateral solutions for the global governance of sustainable development and the

regulation of MNCs in this respect. The creation of an appropriate discourse, by the firm, with stakeholders is sought after. This is guided by discourse ethics and differs from existing, typically instrumental, stakeholder management approaches taken by business. The latter approaches being predicated on a narrow short-term economic view and which is manipulative of stakeholders and their legitimate claims.

This discussion is extended by a preliminary consideration of the emergent, during the period of study, notion of business purpose. This is raised in the practitioner context and some of the dynamics are considered. Further, and also emergent during the course of this study, the new UN SDGs are introduced and are found to be important concerning business engagement in the purpose debate. The potential for the business purpose movement to increase in significance in the business and society relationship is signalled. Concerning the purpose discussion, the formation of new business models is introduced and particular consideration is given to the emergence of the Benefit Corporation form.

However, concerning the discussion on the emergence of the SDGs, while the existence of positive activity on the part of some businesses is acknowledged, evidence of some negative manipulative behaviour is pointed to. This is characterised in the literature as SDG washing, being disconnected from core business strategy and oriented by promotional marketing driven claims. In light of the detraction of this from a legitimate connection of business with society a link is made here with the body of literature on the need, in HE, for responsible business education in the context of SD. This in pursuit of a positive change dynamic. Here the performance of UK business and management schools is considered and need for improvements are identified. This debate is situated in the need to provide public value in the HE setting, this in which the delivery of SD is seen as a meta-responsibility by societal stakeholders and in which HE is characterised as an important actor in the business and society relationship.

In further consideration of the agency role of MNCs, a specific examination of the implications of globalisation is undertaken. In this an overview of the demise of the power and influence of the nation state in relation to that of MNCs is carried out. In particular the decreased ability of nation states to control the activities of MNCs through state enforced legislation (hard law) is considered together with the increasing importance of MNCs in the provision or denial of citizenship rights. The apparent lack of sufficient strength and / or

orientation of the existing institutions of world government such as the UN, ILO and WTO to fill the gap left by the decreased influence of nation states and to sufficiently regulate fundamental aspects of sustainable development is highlighted.

In these circumstances the emergence of, and need for, multi-lateral solutions to trans-national governance and for a new global governance through the vehicle of decentralised deliberation is asserted. This is characterised by multi-stakeholder dialogue in which business is one player in the formation of 'soft law.' This includes self-regulation by business, multi-stakeholder regulation and other forms. It is built on consensus with stakeholders, in which business is one author amongst a range of other actors. However, it seems significant that while the value of soft law is clearly acknowledged, limitations are recognised and the continuing place of hard law is also indicated.

In this literature review, synthesis of the literature is found to be appropriate and an aid to building understanding of the reality. In this respect significant synergy / re-enforcement is evident in various literature with respect to the need for consensus forming dialogue in the context, notably in management studies, business ethics and governance. In this vein the meaning and nature of decentralised deliberation is considered.

Following the objective of surfacing linkages / synergies in the literature and in pursuit of bringing out meaning from the debate on the place of hard law and soft law, a further exploration of the latter is carried out drawing on some perspectives from the regulatory studies literature. This is used to illustrate the challenge, diversity and complexity involved, in addressing the regulatory deficit issue and draws on examples from a range of Transnational Regulatory Standard Setting (TRSS) schemes, usefully bringing out the meaning of these in the setting. Here theoretical proposals to build existing notions of responsive regulation, originally formulated in the national setting, by moving these to the transnational context are raised. In this they seek to address the transnational regulatory deficit. In these considerations, the burgeoning development of soft law is identified. This being carried out by a range of stakeholders including business itself and being substantially without the public authority domain. Here again the value of this contribution is emphasised. However, again, some limitations in effectiveness of soft law are brought to attention. Not least in addressing these limitations, is a concern to enhance sanction in the event of faux / none compliance on the part of business and also a further concern is to enhance the

legitimacy of the stakeholders engaged in the process of making and regulating TRSS schemes. Central to arguments for improvement is the involvement of Intergovernmental Organisations (IGOs) and in which IGOs work with and through TRSS schemes, providing lead and direction. Theory around the strategies of regulatory collaboration and orchestration is discussed and congruence is identified in the literature.

In this respect the importance of the learning approach and building of knowledge intensity embodied in the process of TRSS, and potentially transnational responsive regulation, by multi-stakeholder interaction and dialogue is underlined. The need to move to a reflexive approach is indicated as part of the way forward. This is one that is directed in an iterative frame by feedback, from the evidence in implementation efforts, of fit and effectiveness. This is to provide effective outcomes that work on the ground, for the stakeholders concerned, in particular context and in which practical context takes precedence over abstract principles. Also brought out is the importance of different cultures, in the globalised nature of MNC operations, and within this, differing perceptions of the moral course. This is particularly emphasised in relation to MNC operations in the developing world and is relevant to the accusations of exploitation discussed. As indicated, it is also relevant to the need for the creation of a particular form of discourse.

It seems important to observe that orientation provided by the theory examined is particularly useful in that it is nuanced and surfaces the subtleties of the problem, it does not seek rigid prescription and does not claim to have all the answers to the transnational regulatory deficit. The need for new ways of thinking and working are indicated, together with making space for the contribution of ‘other’ approaches / ideas.

It is clear that, that regarding corporate business activity, transformative action to progress step change towards sustainable development is at an early stage. Connectivity between business and society is seen as problematic. However, it is apparent that understanding is growing in this respect and that this is situated in an emergent context, with significant alignment in academic and practitioner communities. The identification of alignments in the literature, surfaced in this chapter, indicate the value of further analysis in this respect. Here the utility of a theoretical construct is indicated. This is the purpose of Chapter 4 – Literature synthesis and theoretical development - where this task is undertaken.

## **CHAPTER 3 RESEARCH METHODOLOGY AND METHODS**

### **3.1 Orientation**

This thesis is engaged with the interpretive definition of theory:

Interpretive theory calls for the imaginative understanding of the studied phenomenon. This type of theory assumes emergent, multiple realities; indeterminacy; facts and values as inextricably linked; truth as provisional; and social life as processual. Thus interpretive theory is fully compatible with ...symbolic interactionism...(Charmaz, 2006:126-127).

Symbolic interactionism is taken up further below in the interpretive focus of this research. The thrust of the Thesis is to follow the notions of sustainable development, in a particular context, in their setting as a social construct.

The interpretivist philosophy and qualitative methodological choice are justified and lead to practical orientation through the method of elite interviews, using purposive sampling. Particular focus is obtained through a consideration of the creation of reality through the qualitative interview process.

### **3.2 Reflection on the relevance of the background of the researcher to this research**

The purpose of this subsection is to highlight the relevance of the background of the researcher in this research (Pratt, 2009). The researcher, a practitioner in the area of study, holds senior professional status as a Chartered environmental and sustainability professional and has spent a career in the fields of environmentalism and sustainable development. This experience includes senior roles in the public sector in environmental protection functions and also in private sector consultancy concerned with environmental and social sustainability. This provides practical grounding in the issues of SD. Perhaps somewhat unusually, this experience has been complimented by significant contribution to teaching in the HE sector in these fields, and in the associated development of early academic research and peer reviewed publication. The author maintains activity in the educational setting.

Relevant to the social constructionism paradigm of this research and the co-creation of reality in the qualitative interview process (in particular, Charmaz, 2006; Holstein and Gubrium, 2011; Miller and Glassner 2011), the orientation and background of the researcher is brought

to bear in this research. The availability of the researcher's professional networks to gain access to participants for elite interviews is also relevant to the process of the research (Harvey, 2010).

Particular orientation relevant to the building of ideas for the research herewith was developed during the researcher's role, as technical director, of a centre for sustainable development in NE England. This venture was an early attempt to understand the context of sustainable development as a social construction through the development of cross sectoral demonstration projects, carried out in various dimensions of SD. This activity took place, as a learning activity, within the frame of an actively induced consensus forming process between the stakeholders from the private sector, public sector, third sector and HE, carried out in a regional setting. These projects informed the researcher's perspectives of the nature of sense making in constructing the meaning of SD, through multi-stakeholder consensus finding processes, and the experience has proved instrumental in developing insights for the author. The latter have assisted the development of personal understanding through aiding in the interpretation of emerging theory in the global setting, provided by leading researchers in the field. This developing theoretical framework is analysed in the literature review and draws on the work of a range of theorists (in this context, of particular relevance are Issakson et al., 2010; Metcalf and Benn, 2012; Scherer and Palazzo, 2010; Steurer et al., 2005).

Also relevant to the research herewith is experience obtained in the educational setting. As joint programme leader, the researcher contributed to the development and execution of an MA in Social Enterprise (SE), in another institution. This was provided for leaders and managers in the developing SE sector. In this management for SD was central to the course content. The author was particularly involved in teaching business ethics in the SD frame, and in the development and publication of associated peer reviewed research, linked to interventions in the practitioner context. This experience provided personal insights in relation to business and SD and also in linkages between corporate sector CSR efforts and their co-operative activity with SEs in the frame of CSR.

The wider contribution carried out by the researcher, serving as a member of the British Standards Institution (BSI) standards making committee on sustainable development has also extended personal understanding of the field. This has included direct contribution in the making of global standards in CSR and SD.

The author is very aware of the need to mitigate in this research against the risk of bias arising from the position held as a practitioner, and of the need to maintain a critical distance in the research. In this, particular consideration of the partial and incomplete nature of much activity carried out under the banner of CSR, is to the fore. In the defence of a personal position in these considerations, the author has studied and shares the reservations expressed by leading theorists in the field. The latter are discussed and analysed in the literature review and concern the work of theorists who provide particular criticism of the corporate sector and associated institutions (see particularly Banerjee, 2008: Bondy et al., 2012: Metcalf and Benn, 2012: Milne and Gray, 2013: Whiteman et al., 2013). The discussion in this chapter on the interview process and the approach to data analysis also addresses matters relevant to bias (Braun and Clarke, 2006: Charmaz, 2006: Holstein and Gubrium, 2011: Miller and Glassner, 2011: Rapley, 2011).

### **3.3 Research methodology**

#### **3.3.1 Justifying the philosophical approach**

The research literature brings out the central importance, in research design, of defining the research philosophy adopted in relation to the knowledge development task being undertaken, through the vehicle of the research carried out (see for example Bryman and Bell, 2011: Easterby-Smith et al., 2002: Saunders et al., 2012). Key to this is for the researcher to make explicit the assumptions that are made in the research. These include on the nature of reality, on what is acceptable knowledge in the particular context, here in justification of the orientation of the research strategy, and within this methods used to obtain data and also on how the data is to be interpreted.

In this context, Easterby-Smith et al., (2002) provide a useful summary the meaning of terms utilised in discussion in the research literature. This is with respect to terminology that is contained in debates on the choice of differing philosophical approaches which can be applied in research. The summary is reproduced as Table 6.



TABLE 6 ONTOLOGY, EPISTEMOLOGY, METHODOLOGY AND METHOD	
Ontology	Assumptions that we make about the nature of reality
Epistemology	General set of assumptions about the best ways of enquiring into the nature of the world
Methodology	Combination of techniques used to enquire into a specific situation
Methods	Individual techniques for data collection, analysis etc.
Source: reproduced from Easterby-Smith et al., (2002:31)	

These authors emphasise that the methodology should be orientated by ontological and epistemological considerations. Saunders et al. (2012) also capture this linking dynamic in their definition of methodology as ‘the theory of how research should be undertaken, including the theoretical and philosophical assumptions upon which research is based and the implications of these for the method or methods adopted’ (2012:674).

Illustrative of the texture of the issues under consideration in this, Easterby-Smith et al., (2002) highlight the historically, sometimes, tense debate between the major philosophical alternatives in research design. Here they refer to the two contrasting traditions which they define as positivism and social constructionism. Positivism, the older tradition, is set in the paradigm of the scientific method and corresponds to the approach of the natural sciences. It derives from an ontological position that is objectivist. In this reality is such that social entities exist in an external meaningful reality which is not dependent on the interactions of social actors involved in them. (Saunders et al., 2012). From an epistemological standpoint positivism indicates that ‘knowledge is only of significance if it is based on observations of this external reality’ (Easterby-Smith et al., 2002:28).

Considering the emergence of the alternative tradition of social constructionism, which takes a different view of reality, Easterby-Smith et al., (2002:29) find that:

The new paradigm which has been developed by philosophers during the last half century, largely in reaction to the application of positivism in the social sciences, stems from the view that ‘reality’ is not objective and exterior but is socially constructed and given meaning by people.

This philosophy is based on the view ‘that the subject matter of the social sciences - people and their institutions – is fundamentally different from that of the natural sciences’ (Bryman

and Bell, 2011: 16). The epistemological emphasis is on human action, interaction and interpretation of the meaning of this. This being in the creation of social reality.

The views of Easterby-Smith et al., (2002) on the contrasting philosophical positions of positivism and social constructivism are summarised in Table 7.

TABLE 7 CONTRASTING IMPLICATIONS OF POSITIVISM AND SOCIAL CONSTRUCTIONISM		
	Positivism	Social Constructionism
The observer	Must be independent	Is part of what is being observed. See below sections on accessing realities through interviews and animating interview narratives.
Human interest	Should be irrelevant	Are the main drivers of science
Explanations	Must demonstrate causality	Aim to increase general understanding of the situation
Research progress through	Hypothesis and deductions	Gathering rich data through which ideas are induced. See section below on rich data.
Concepts	Need to operationalise so that they can be measured	Should include stakeholder perspectives
Units of analysis	Should be reduced to simplest terms	May include the complexity of 'whole' situations
Generalisation through	Statistical probability	Theoretical abstraction
Sampling required	Large number selected randomly	Small numbers of cases chosen for specific reasons. See section below on elite interviews.
Source: Adapted from Easterby-Smith et al. (2002:30)		

To enhance meaning and underline linkages of methodology to method, some aspects of the contrasting positions are returned to below.

Deriving from the literature review, the thrust of this thesis is to explore some facets of the concept of sustainable development. This is in the context of business, and is set within an understanding that sustainable development is a social construct (Scherer and Palazzo, 2010: Steurer et.al 2005). The reflection on social constructionism above clearly demonstrates its appropriateness to the methodological approach of this thesis. Easterby Smith et al. (2002)

characterise the epistemological position of social constructionism as interpretivism. It is clear that this thesis follows ‘an interpretivist philosophy because of [the] need to make sense of the subjective and socially constructed meanings expressed by those who take part in research about the phenomenon being studied’ (Saunders et al., 2012:546). The ontological perspective taken, in contrast to the objectivism of the natural science model, is confirmed as subjective. Being congruent with the purposes of the research herewith, Saunders et al. (2012:132) explain that:

...subjectivism asserts that social phenomena are created from the perceptions and consequent actions of social actors. As social interactions between actors are a continual process, social interactions are in a constant state of revision ...this is often associated with social constructionism, which views reality as being socially constructed.

In contrast it is clear that the positivist stance and associated objectivist ontology, which takes the view that validity is obtained by external observation of reality and indicates the need for independence of the observer, is not appropriate to this research (Easterby Smith et al.,2002: Saunders et al.,2012). It does not offer a sympathetic route in order to gain access to the socially constructed meaning that is sought in this study.

### **3.3.2 Research design**

The interpretivist philosophy chosen indicates a methodological choice which is qualitative (Bryman and Bell, 2011: Easterby-Smith et al., 2002: Pratt, 2009 :Saunders et al.,2012). This qualitative position is placed where programme:

...participants meanings and the relationships between them...Data collection is non-standardised so that questions and procedures may alter and emerge during a research process that is both naturalistic and interactive. It is likely to use non-probability sample techniques. The success of the researchers role is dependent not only on gaining access to the participants but also building rapport and demonstrating sensitivity to gain cognitive access to their data. (Saunders et al.,2012:163)

The research aim dictates the research design, which is to interpret the views of leaders and/or those occupying influential positions in organisations, and of opinion formers.

Pertinent to the nature of reality assumed, and directive of the tone and nature of the discussion in the section below on research methods, Charmaz (2006:15) provides the following in relation to qualitative research:

Qualitative research of all sorts relies on those who conduct it...We are not passive receptacles into which data are poured...We are not scientific observers who can dismiss scrutiny of our values by claiming neutrality and authority. Neither observer or observed come to the scene untouched by the world. Researchers and research participants make assumptions about what is real, possess stocks of knowledge, occupy social statuses, and pursue purposes that influence their respective views and actions in the presence of each other.

Also relevant to the aims of this research, Charmaz (2006) finds a particular advantage of qualitative over quantitative research with the former being set in a heuristic frame.

Qualitative researchers enjoy one great advantage over our quantitative colleagues. We can add new pieces to the research puzzle or conjure entire new puzzles - while we gather data – and that can even occur late in the analysis. The flexibility of qualitative research permits you to follow leads that emerge. (2006:14)

This view is also particularly directing of the research method chosen for this Thesis and discussed further below, being elite interviews. This is with the objective of obtaining qualitative data which are ‘likely to be characterised by their richness and fullness [providing an] opportunity to explore a subject in as real a manner as possible’ (Saunders et al., 2012:546).

### **3.3.3 Rich data**

Charmaz (2006) brings out the meaning of accessing rich data through the vehicle of qualitative research. She emphasises the importance of innovation and persistence in data gathering methods to provide traction in this and her view is resonant here with the advice of Harvey (2010) discussed further below concerning gaining access to elite Interview participants.

Charmaz (2006:14) provides the following on rich data:

Rich data are detailed, focused and full. They reveal participants’ views, feelings, intentions and actions as well as the contexts and structures of their lives. Obtaining

rich data means seeking ‘thick’ description ... such as...collecting respondents written personal accounts, and/or compiling detailed narratives (such as from transcribed tapes of interviews).

In this context of the definition of rich data, while reflecting on the nature of qualitative research, and written in the context of transferability of research findings, Bryman and Bell (2011:398) find that:

... qualitative research typically entails the intensive study of a small group, or of individuals sharing certain characteristics (that is depth rather than breadth that is a preoccupation in quantitative research), qualitative findings tend to be orientated to the contextual uniqueness and significance to the social world of being studied...[this is as a]...thick description – that is rich accounts of the details of a culture.

For these authors this thick description provides data which is sufficient to allow other researchers to make judgements on its transferability to other settings.

### **3.4 Research methods**

#### **3.4.1 A consideration of qualitative interviews**

In pursuit of insights into the nature of phenomena in the social world, Easterby Smith et al. (2002) refer to the prevalence and utility of the in-depth interview method. In providing further perspectives on access to knowledge through the interview method, it is also useful to consider the views of Charmaz (2006). This author addresses the pursuit of rich data through qualitative research and refers to intensive interviewing thus:

Intensive interviewing has a long been a useful data-gathering method in various types of qualitative research...intensive interviewing permits an in-depth exploration of a particular topic or experience and, thus, is a useful method for interpretive enquiry... The in depth nature of an intensive interview fosters eliciting each participants interpretation of his or her experience...the interviewers questions ask the participant to reflect upon his or her experiences in a way that seldom occurs in everyday life. (2006:25)

This view is highly congruent with that of Miller and Glassner (2011) who argue that with respect to in-depth qualitative interviewing:

Rigorous analysis of accounts creates two intertwined sets of findings: evidence of the nature of the phenomenon under investigation, including the contexts and situations in which it emerges, as well as insights into the cultural frames people use to make sense of these experiences. Combined, they offer important insights for theoretical understanding. (2011:137)

It is interesting that Charmaz (2006) indicates that intensive interviewing is often chosen as a single research method. On intensive interviewing she finds that, in common with grounded theory methods, intensive interviewing is ‘open ended yet directed, shaped yet emergent and paced yet unrestricted’ (2006:28).

Further on the surfacing of deep meaning, Charmaz (2006) points out that ‘the intensive interview may range from a loosely guided exploration of topics to semi-structured focused questions...In your role as an interviewer, your comments and questions help the research participant to articulate his or her intentions and meanings...and to learn more about the research participant’s experiences and reflections’ (2006:26). She makes clear that the intensive interview is not situated in an interrogative setting, rather it is framed as exploration, to access deep meaning through the acquisition of rich data.

Table 8 reproduces the summary points made by this author in relation to the enabling aspects of intensive interviews, for the interviewer and the interviewee.

TABLE 8 - ENABLING DYNAMICS PROVIDED BY INTENSIVE INTERVIEWS	
For the interviewer	For the interviewee
<ul style="list-style-type: none"> <li>• Go beneath the surface of described experience(s)</li> <li>• Stop to explore a statement or topic</li> <li>• Request more detail or explanation</li> <li>• Ask for the participants thoughts, feelings and actions</li> <li>• Keep the participant on the subject</li> <li>• Come back to an earlier point</li> <li>• Restate the participant’s point to check for accuracy</li> <li>• Slow or quicken the pace</li> <li>• Shift the immediate topic</li> <li>• Validate the participant’s humanity, perspective or action</li> <li>• Use observational and social skills to further discussion</li> <li>• Respect the participant and show appreciation for participating</li> </ul>	<ul style="list-style-type: none"> <li>• Break silences and express their views</li> <li>• Tell their stories and to give them a coherent frame</li> <li>• Reflect on earlier events</li> <li>• Be experts</li> <li>• Choose what to tell and how to tell it</li> <li>• Share significant experiences and teach the interviewer how to interpret them</li> <li>• Express thought and feelings disallowed in other relationships and settings</li> <li>• Receive affirmation and understanding</li> </ul>
Source: adapted from Charmaz (2006:26-27)	

This author goes on to consider intensive (or in depth) interviews in their contextual and negotiated frame. This includes such matters as the interviewer and interviewees perceptions of each other, trust, power relationships, concerns and vulnerabilities, the revelation of personal views rather than the company line and other matters. This is taken up further below in consideration of the co-construction of meaning in the interview process.

### **3.4.2 Accessing realities through interviews**

Further on the construction of the research paradigm herewith and in direct connection with the discussion on research methodology in the section above, Miller and Glassner (2011) provide some interesting reflections in relation to accessing realities through interviews. In this, and congruent with the meaning of the discussion above, they refer to the varying and contrasting philosophical positions that may be taken in determination of interview method in this respect. In this debate, the school of thought which is situated in an objectivist ontological position and a positivist epistemology and rooted in the methods of the natural sciences would 'have as a goal the creation of a "pure" interview – enacted in a sterilised context, in such a way that it comes as close as possible to providing a "mirror reflection" of the reality that exists in a social world' (Miller and Glassner, 2011:131). In the sense here, following this method, the data obtained would be as far as possible devoid of social construction formed by the interaction of the interviewee and the interviewer. It would be 'untouched data [gained] through standardised interviewing' (Miller and Glassner, 2011: 132). However, these authors add their voices to the body of opinion that informs against the utility of this approach, due to its limited ability to unearth meaning in the social science setting.

Further forming their arguments, these authors go on to contrast the view of the emotionalists with the positivist tradition. The emotionalist position draws on a constructivist ontology and interpretivist epistemology. They explain that the emotionalist stance advocates an unstructured approach with open ended interviewing; they highlight issues related to authenticity in relation to this approach. The final school of thought considered by these authors in this vein, is that of the radical social constructionists which asserts that 'no knowledge about a reality that is "out there" in the social world can be obtained from the interview' (Miller and Glassner, 2011: 132). Rather, being situated in the postmodernist milieu (Bryman and Bell, 2011: Charmaz, 2006), the radical social constructionists express

the view that the narrative created between the interviewee and the interviewer in the interview process is restricted to a social construct formed between them and has no context beyond this for a wider reality.

Having identified these contrasting positions, regarding interview methods, and drawing on their experience of executing research, Miller and Glassner (2011: 132):

... identify a position that is outside of this objectivist – constructivist continuum yet takes seriously the goals and critiques of researchers at both of its poles...Dominant discourses are totalising only for those who view them as such; they are replete with fissures and uncolonised spaces within which people engage in highly satisfying and even resistant practices of knowledge making.

It is interesting that this position reflects the view of Easterby-Smith et al.(2002). Here in their consideration of the philosophy of research design with respect to the contrasting positions of positivism and social constructionism they consider that ‘it is unfortunate that within the social sciences such debates sometimes take the form of denigrating the other point of view, or of completely ignoring its existence’ (2002:27). In this they also advocate understanding of both sides of the argument.

To enhance further consideration of the views of Miller and Glassner (2011), it is valuable to pinpoint the theory of symbolic interaction. Symbolic interactionism is:

...a theoretical perspective derived from pragmatism which assumes that people construct selves, society, and reality through interaction. Because the perspective focuses on dynamic relationships between meanings and actions, it creates the active processes through which people create and mediate meanings. (Charmaz; 2006: 189)

Addressing interviews in this context of symbolic interactionism, Miller and Glassner (2011) argue that they enable access to knowledge that goes beyond just the creation of narratives between the interviewer and the interviewee and that provides understanding, to some objective extent of the social world. Access to a singular reality is not sought or claimed in this. They find that:

Research cannot provide the mirror reflection of the social world that positivists strive for, but it may provide access to the meanings people attribute to their experiences and social worlds. While the interview itself is a symbolic interaction, this does not discount the possibility that knowledge of the social world beyond the interaction can



be obtained. In fact it is only in the context of non-positivistic interviews, which recognise and build on their interactive components (rather than trying to control and reduce them), the ‘‘intersubjective depth’’ and ‘‘deep mutual understanding’’ can be achieved (and with these knowledge of social worlds). Those of us who aim to understand and document others’ understandings choose qualitative interviewing because it provides us with a means of exploring the points of view of our research subjects, while granting these points of view the culturally honoured status of reality. (2011:133)

### **3.4.3 Animating interview narratives**

Framed in a consideration of ‘‘animating interview narratives,’’ Holstein and Gubrium (2011) also consider gaining access to knowledge through interviewing in the interactionist context. Situated in their discussion is a particular re-enforcement and extension the views of Miller and Glassner (2011) and of Charmaz (2006) discussed above. This is in that the interview is not a neutral conduit for knowledge transfer that the positivist position would seek, or something that needs to be protected from distortion to achieve that. Rather these authors emphasise the active construction process of the interview. Here it is:

... a site of, and occasion for, interpretive practice...we have suggested that researchers embrace a view that the interview is a process of experimental animation and capitalise upon interviewers’ and respondents’ constitutive contributions to the production of interview data. (2011:151)

For these authors this ‘experimental animation’ is carried out by interaction of the interviewee and interviewer in the pursuit of co-construction of meaning in that particular context, ‘the responses produced in interviews are actively assembled using the interpretive resources to hand’ (2011:156). For these authors this is accomplished through the ‘‘Whats’’ and ‘‘Hows’’ of the interview [which they define in terms of] communicative contingencies’ (2011:157).

Under the heading of ‘‘Whats’’ they elicit the role of the interviewer in actively framing discussion topics, drawn from the context of the research and the reality which is under investigation. Through the deployment of animated interviewing technique ‘participants draw out the substantiality of these topics, narratively linking the topics to biographical particulars in the interview process, producing a subject who responds to, or is affected by, the matters under consideration’ (2011:157).

Turning to the second communicative contingency which centres on their ‘‘Hows’’ element, these authors elicit the role of the interviewee. This is in which the standpoint from which information is offered is continually developed within ongoing interview interaction.

It seems that this constructed form of understanding emerging from the animated interview is congruent with the research in hand. This stems from the fact that the research topic is situated within the developing reality of sustainable development. As indicated above, the latter is itself a social construct and stakeholder dialogue in the social construct is highly pertinent to this (Scherer and Palazzo, 2010; Steurer et al., 2005). Holstein and Gubrium (2011:158) comprehensively capture the richly interpretive approach provided by their animated interview thus:

On one side, the animated interview eschews the image of the vessel of answers waiting to be tapped in favour of the notion that the respondent’s narrative agency is activated, stimulated, and cultivated in relation to an ever shifting and reflexive stock of knowledge. The interview also is a commonly recognised occasion for systematically prompting the respondent to formulate and talk about experience, opinions and emotions in particular ways, implicating the interviewer, on the other side. Active interviewers do not coax interviewees into preferred responses to their questions. Rather they converse with respondents in such a way that emergent forms of response come into play. Interviewers may suggest orientations to and linkages between, diverse aspects of respondents’ experience, hinting at – even inviting – interpretations that make use of specific resources, connections, and outlooks. Interviewers may explore incompletely articulated aspects of experience, encouraging respondents to develop topics in ways relevant to their own experience...The objective is not to dictate an interpretive frame, as a minimalist standardised survey would do, but to provide an environment conducive to the production of the range of complexity of narratives that might develop.

Disputing the traditional views which have been prevalent in the process of structured interviewing, and particularly associated with the positivist stance, these authors defend the method of animated interviewing against criticisms of bias. Concerning the criticism of bias, ‘... [it] only holds if one’s point of departure is an image of passive participant subjectivity. Bias is a meaningful concept only if the respondent is viewed as a preformed, purely information producing commodity that the interview process might somehow distort or

define' (2011:161). These authors also address rigour in analysis of findings situated in relation to the interplay between the 'Whats' and Hows' in the context of their suggested construction.

As indicated the animated interview technique of these authors is found fitting for this research. It is appropriate to the social constructionist setting of the interviews which are deployed to obtain rich data. Interviewing of elites is discussed below.

#### **3.4.4 Interviewing elites**

To the end of gaining access to and interpreting rich data, it seems valuable then to explore some of the theoretical context relevant to interviewing elites. In this vein methodologic strategies for interviewing elites are considered by Harvey (2010). This author refers to growth in the use of elite interviews and also refers to advantages of the method as including the following factors 'strong emphasis on intimacy between the researcher and interviewee...that interviews can provide a different analytical lens for understanding firms...effective interviewing seems to generate novel and insightful data' (2010:193). He also refers to the better efficiency of the technique compared to other methods of qualitative data collection, including questionnaires and focus groups.

In support of this stance Harvey (2010) emphasises the importance of clarifying what is meant by elites and he introduces subtlety. In this he argues that elites may be defined as people in top positions in organisations but, and particularly relevant to the research herewith, the definition is pertinent also to those who can be defined as occupying key positions in organisations. The latter is by virtue of their holding strategic positions 'within a social network in which they act as connectors and bridges between social structures' (2010:195). This is relevant to the study in hand where access to senior individuals and expert professionals is obtained, in a context of purposive sampling (Bryman and Bell, 2011: Jankowicz, 2000).

Also pertinent to the research in hand, Harvey (2010) refers to the challenge of gaining access to elite interviewees. He highlights the need, set in a positive frame, for an opportunistic and persistent approach focused on appropriate use of networks. Concerning the position of the author in the research herewith, it seems important to create opportunity through the use of existing professional networks and contacts. Relevant to the research in hand the position of the author, in the professional setting, is referred to above in the section on Relevance of the Background of the Researcher. Thus, the use of the professional networks and contacts of the

author are utilised in providing access for this research. Further in the vein of opportunity seeking, concerning access to interviewee subjects Harvey (2010:196) refers to 'snowballing.' In this he points to the propensity to make further interviewee contacts arising from introductions from existing elite subjects. This approach is also useful in this research.

Further in this context and relevant also to the research design herewith are the comments by Harvey (2010) concerning the utility of accessing gatekeepers to professional elite groups, to provide access to elite subjects. Here again referring to section on relevance of the background of the researcher, the networks of the author provide for traction in this respect. Harvey (2010) also points to the 'advantage of pursuing multiple avenues for gaining access to elite populations is that it reduces the potential bias of only speaking to people within a particular social network' (2010:196). Here, as discussed further below, access to a range of actors in different sectors is gained.

Resonant with the inquiry herewith, which is concerned with factors pertinent to sustainable development and within this to 'decentralised deliberation' (Scherer and Palazzo. 2010:12), it is interesting that Harvey (2010) refers to the tradition in economic geography of 'adopting elites interviews as a vehicle for interrogating the social, economic and political power of major economic actors within organisations' (2010:196).

The outcome of the interview process is that fifteen interviews were carried out with fourteen respondents. The respondents were provided with details of the research and a formal request to participate was provided (Appendix 1), including details of anonymity and confidentiality, contact details of persons other than the researcher at the University to contact if required for information, and confirmation of the right of the participant to withdraw at any point, if desired. Signed formal consent was obtained from each participant (Appendix 2).

Following respondent preferences, the interviews were carried out either face to face or using proprietary video calling technology. One interview was carried out by telephone.

Following formally gaining permission from each respondent prior to interview for this, all the interviews were voice recorded. The recordings were transcribed to written form. The respondents were asked to comment on the written transcripts, when any comments made were considered in producing a final transcript for analysis. Anonymised details of the interviews carried out are provided in Table 9.

TABLE 9 ANONYMISED ELITE INTERVIEW RESPONDENT INFORMATION			
RESPONDENT NUMBER	POSITION/ROLE	INTERVIEW NUMBER	DATE
1	Chair of advisory committee, international ESG performance rating index, of companies	1	16.7.17
2	Managing partner in niche architectural design practice (SME)	2	15.8.17
3	Director with responsibility for SD issues in a professional membership body (UK)	3	25.9.17
4	Manager, with sustainable development brief, major retailer, UK	4	17.1.18
5	Senior academic with major public policy input role in food policy	5	12.2.18
6	Sustainability reporting manager, major retailer, UK	6	3.4.18
7	Sustainability specialist, major retailer, UK	7	9.4.18
8	Risk Manager, ICT electronics manufacturer, UK	8	8.6.18
9	Sustainability director, large MNC, alcoholic beverages company	9	9.7.18
10	Sustainability and strategy manager, food industry think tank	10	8.8.18
11	Senior academic, food systems specialist	11	23.8.18
11	Senior academic, food systems specialist	12	24.9.18
12	Science and technology leadership role, large MNC, consumer goods	13	12.11.18
13	Ethical procurement specialist, large international NGO	14	12.3.19
14	Senior academic, and UK business school leader	15	19.11.19

### *Aspects of the interview process*

It can be seen from table 9 that access was obtained to elite interview participants with a range of backgrounds from a variety of organisations. Eleven of the respondents were practitioners with various experience concerned with CSR and SD. Three of the respondents were senior academics with particular expertise relevant to SD.

As indicated above, following Harvey (2010), snowballing was utilised successfully in obtaining further interviews in the major retailing organisation. It is worthy of note that the organisation is widely perceived as a leader in sustainability management. Respondent 4, was the first respondent accessed in this organisation. Contributions in his interview drew on a long experience in development of SD management, particularly from his focus of a fair trade brief. From his interview, Respondent 4 provided access to respondents 6 and 7 (table 9). It

was apparent, in the interview with him, that they could offer further information deriving from their particular specialist activities and experience. Respondent 6, the company sustainability reporting officer contributed insights concerning the application of the SDGs in the company reporting context. Respondent 7 is a sustainability specialist, with responsibility for company interpretation of the SDGs, including working on emerging activity with the UNGC UK organisation and with peer group companies to this end. She added insights concerning the emerging stance on response to the SDGs in her own company, and in the sector more widely.

Concerning the process of the interviews in general; prior to each interview further field work was carried out in order to focus the researcher's detailed understanding of the position of each of the respondents in the particular situation of their organisations, in the CSR context. This understanding being to assist in the process of dialogue creation in the interview, to build trust and respect between the interviewee and the interviewer in an enabling dynamic (Charmaz, 2006) following the animated interview technique of Holstein and Gubrium (2011). For the reference of the researcher, an interview guidance note was drawn up specific to each interview. This was used as a discussion guide to assist the creation of the dialogue in the interview, it is emphasised that was not a set of questions. It was not restrictive or dictating of the flow of the interview, nor was it in any way intended to be exclusive or exhaustive. Rather it was used, as appropriate, to open possibilities for contributions that the respondent may make in the reflexive (Holstein and Gubrium, 2011:158) setting of the interview. An example of a discussion guide used for one of the respondents is provided at Appendix 3.

In consideration of the outcomes of the active interview approach deployed, following the animated interview technique of Holstein and Gubrium (2011); the orientation provided by these authors proved to be productive in this thesis. The constructed approach has enabled access to rich data arising from the particular interactions. This in which the encouragement of emergent, and not dictated responses from the respondents was achieved. Here, as indicated, in an enabling and not a dictating setting in which a range of narratives were accessed providing understanding in the complexity of the reality. Of assistance here also, and referred to above in the reflective section on the relevance of the background of the researcher to the research, is the position of the researcher as an experienced practicing environmental and sustainable development professional in the field of study. This

experience being of assistance in harnessing the ‘interpretive resources’ (Holstein and Gubrium, 2011:157) available in the interactions. Further in this, the professional experience possessed by the researcher in interviewing in professional activities, including senior management interviewing in environmental and SD auditing activities, was of benefit in application of the approach.

### **3.4.5 Data Analysis**

#### ***Background considerations***

A number of authors express the diversity, complexity and nuanced nature of the various approaches that are available in the conduct of qualitative research (see for example Bryman and Bell, 2011: Easterby-Smith et al., 2002: Huberman, 1994: Rapley 2011: Saunders et al., 2012 ) to the effect that ‘there is not a standardised approach to analyse your qualitative data’ (Saunders et al., 2012:556). Against this background it seems important to understand the call for flexibility in the application of data analysis techniques which is asserted by authorities in the field. Writing in the context of data analysis in qualitative research, Miles and Huberman (1994: 5) find that:

To us it seems clear that research is actually more a craft than a slavish adherence to methodological rules. No study conforms exactly to a standard methodology; each one calls for the researcher to bend the methodology to the peculiarities of the setting...We advise you to look behind formalism and seek what will be useful in your own work.

Seeming to be resonant with this Rapley (2011) cautions against simply claiming a ‘tag’ for the approach taken to data analysis, such as ‘doing’ grounded theory or conducting phenomenological analysis. This being as a way of achieving legitimacy, without full exploration of the implications. He argues that:

The practice of good (or even adequate) qualitative data analysis can never be summed up by using a neat tag. They can also never be summed up by a list of specific steps or procedures that have been undertaken. Above all you need to develop a working, hands-on empirical, tacit knowledge of analysis. This should enable you to develop what I can only think to call, ‘a qualitative analytical attitude.’ (2011:274).

Re-enforcing this argument while following its flow downward to the inside of the particular approach to qualitative data analysis used in grounded theory, Charmaz (2006:2) explains that ‘grounded theory methods consist of systematic, yet flexible guidelines for collecting and analysing qualitative data ... The guidelines offer a set of general principles and heuristic devices rather than formulaic rules.’

In similar vein, but in this case reflecting on the closely demarked approach that they define for thematic analysis, Braun and Clarke (2006) refer to benefits of the flexibility of the method they describe. It is notable that this draws on a range of best practice.

The language of qualitative data analysis typically includes reference to labels, codes, categories, dimensions and themes, and there are variations in how these are defined, ordered and addressed. In illustration of this Rapley (2011) provides an interesting overview of similarities and differences taking examples from commonly arising approaches to data analysis. Usefully he goes on to consider commonalities in these qualitative analytical approaches. In this he observes a common progression of analysis in which there is a shift of focus in considering the data obtained in the research, from the initial stage of what in the case of interviews, is said by the participants. This progression is to the further stage of ‘exploring and explaining what is ‘underlying’ or ‘broader’ or to ‘distil’ essence, meanings, norms, orders, orders, patterns, rules, structures, et cetera (the level of concepts and themes)’ (2011: 276).

Continuing in this vein Rapley (2011) goes on to consider what generic learning / guidance can be gleaned from different qualitative analytical approaches. This is to the end of general application in data analysis. His findings in this are addressed in Table 10.

TABLE 10 GENERIC GUIDANCE ON QUALITATIVE DATA ANALYSIS – Source, adapted from Rapley (2011: 277-278)	
GUIDANCE FACTOR	CORRESPONDING DETAIL
Always start by engaging in some kind of close, detailed, reading of a sample/selection/bit of your archive data.	Close detailed reading means looking for key, essential, striking odd, interesting things people or texts say or do as well as repetition.
	You should make notes, jottings, markings et cetera, either on the pages or somewhere else.
Always read and systematically label your archive data.	Label* key, essential, odd, interesting things.
	Label similar items with the same label.
	These labels can be drawn from ideas emerging from your close, detailed, reading of your data archive, as well as from your prior reading or empirical and theoretical frameworks.
	With each new application of a label, review your prior labelling practices and see if what you want to label has gone before. If yes, use the label. In no, create a new one. If it fits somewhat you may wish to modify your understanding of that label to include this.



GUIDANCE FACTOR	CORRESPONDING DETAIL
Always reflect on why you've done what you've done.	Come up with a document that lists your labels. It might be useful to give some key examples, to write a sentence or two on what you are trying to get at, what sort of things should go together under specific labels.
Always review and refine your labels and labelling practices.	For each label, collect together the data you've given that label to. Ask yourself whether the data and ideas collected under this label are coherent and ask yourself what are the key properties and dimensions of all the data collected under this label.
	Try to combine your initial labels, look for links between them, look for repetitions, exceptions and try to reduce them to key ones. This will often mean shifting from more verbatim, descriptive labels to more conceptual abstract and analytical labels.
	Keep evaluating, adjusting, altering and modifying your labels and labelling practices.
	Go back over what you've already done and relabel it with your new schema or ideas.
Always focus on what you think are the key labels and the relationship between them.	Make some judgements about what you feel are the central labels and focus on them.
	Try to look for links, patterns, associations, arrangements, relationships, sequence et cetera.
* LABEL DEFINITION – labels are what you use to enable easy identification and retrieval of things of note. Note: Also referred to in the literature as codes and categories.	

### *On developing a 'qualitative analytical attitude.'*

Returning to Rapley's (2011) conception of a correct qualitative analytic attitude; this author gives useful practical guidance and seeks to provide '...access to some of the very practical things you might consider or do alongside some of the qualities or states of mind you might seek to cultivate' (2011:279). This seems useful in providing orientation; elements of this advice are summarised in Table 11 and have been used to direct data analysis in this thesis.

TABLE 11 ASPECTS OF A QUALITATIVE ANALYTICAL ATTITUDE– Source, adapted / reproduced and in part summarised, from Rapley (2011: 279-284)	
QUALITATIVE ANALYTIC ATTITUDE FACTORS	DIRECTING POINTS
Uncertainty, Intuition and Hunches	<ul style="list-style-type: none"> <li>- Be prepared to be led down novel and unexpected paths.</li> <li>- Potential ideas emerge from any quarter, from your prior and ongoing reading, your knowledge of the field, from engagement with data, from conversations with colleagues and from life beyond academia. This is particularly relevant, in this Thesis, to the discussion in the section on the professional context of the position of the researcher in the section above.</li> <li>- On intuition or hunches regarding potential patterns; write it down to refer to when returning to your archive (project related transcripts, texts, field notes, labelling practices, notes to self, memos, journal articles, books et cetera).</li> <li>- You must be immersed in the detail of your archive.</li> </ul>

QUALITATIVE ANALYTIC ATTITUDE FACTORS	DIRECTING POINTS
Labelling: initiation of the process	<ul style="list-style-type: none"> <li>-This concerns making analytical choices about which lines, chunks or sections of data to highlight.</li> <li>- In highlighting some things as belonging to a particular label, you begin inductively to create a local coding schema, a specific way to see and understand the phenomena.</li> <li>- Harness the opportunity of a pre-coding stage in the process towards coding, give yourself time to reflect and ponder. Start the process with note making as you explore the potential of your archive, look at further reading to support ideas if this is appropriate.</li> </ul>
Labelling: progressing systematic engagement with the archive	<ul style="list-style-type: none"> <li>- On commencement of preliminary labelling; this should be undertaken within the context of an awareness that labelling is applied as the product of understanding so far. It is the subject of continuing development and ideas in the project life.</li> <li>- At this stage you may have disparate, competing or contradictory labels.</li> <li>- At this stage the task is to try to establish the possible dimensions of the phenomena. There is an ongoing process of modifying, refining and sometimes re-labelling whole chunks of texts as your understanding shifts.</li> </ul>
Labelling; on living the detail	<ul style="list-style-type: none"> <li>- Different types of individual thinking styles are recognised as legitimate – that is those who prefer to think broadly and conceptually and those who prefer to live in the detail. However, an initial stage of close coding, line by line, or paragraph by paragraph coding is advised.</li> <li>- The above point is tied to a useful subtle consideration of the necessary balance to be made between deductive and inductive process in qualitative research (see also for example Braun and Clarke, 2006; Saunders et al.,2012). Here while it is recognised that, in deductive context, analytical ideas inevitably already exist deriving from the process of prior reading; interview construction and conduct; knowledge and experiences from the field and so on, it is necessary to temper them in the process of analysis. This is for the protection of the inductive quality of the data analysis. In this the advised initial close coding is to help concentration on working with the data, to defend against importing too many a priori presuppositions about what you think is going on there. It would appear to be axiomatic that this is to a matter of degree. This nuancing is usefully guiding for the data analysis approach herewith.</li> <li>- The practicalities of coding are as simple as: highlight a word or sentence, or paragraph and then give it a label. These labels can range from the quite descriptive to the conceptual.</li> <li>- Labels may include many possibilities ranging from single key words that do some nice summing up, to a few words, to phrases and even sentences.</li> </ul>
Teasing out categories or themes	<ul style="list-style-type: none"> <li>-Over the project life the process of highlighting and labelling becomes quicker. You will generally reach a point of what the key issues are so far. Centrally your aiming for something that is representative of your dataset, yet relatively abstract.</li> <li>-The objective is to unearth categories or themes that demonstrate the key issues.</li> <li>-You need carefully and creatively to conceptualise, abstract and render the central aspects of a phenomenon to make it available to others.</li> </ul>

Thus Rapley's (2011) assertion of the need to develop the correct qualitative analytical attitude in the particular context of the qualitative interview method discussed above is appreciated, and is directing in this thesis. This staged and considered approach indicated in Table 11 is aligned with and supported by the generic guidance on qualitative analysis offered by Saunders et al. (2012). It also aligned, in way of indicated framework and rigour, with the views of Braun and Clarke (2006) concerning thematic analysis in their demarked approach which ' provides a flexible useful research tool, which can potentially provide a rich and detailed, yet complex, account of data' (2006: 78). They point to applicability in the constructionist paradigm, which is followed in this thesis, as well to other approaches.

These concerns in the literature to develop the correct analytical attitude with application of rigour, and the provision of appropriate framework in analysis of the data are closely connected to the discussion below on reliability and validity. In summary, they are concerned with the following which are addressed in this research; the need for interview transcription which retains the original nature; labelling of data in coding that prevents misconception through inappropriate fragmentation of data; categorising data in a dynamic and organic process in a situation of immersion on the part of the researcher; communicating the story of the data in a way that is carefully conceptualised and accessible to others in a compelling narrative, interwoven with illustrations from the data and which is set in a conversation with the literature and theory and responds to the research question (Braun and Clarke, 2006; Rapley, 2011; Saunders et al. 2012).

Returning to the point raised in Table 11 (labelling on living the detail section) on subtleties in the deductive / inductive approaches to data analysis; as indicated, Braun and Clarke (2006) consider the matter. They confirm an inductive approach as one in which '...the themes identified are strongly linked to the data themselves' (2006: 82). They characterise this approach as being data driven. This in contrast to the deductive or theoretical approach where 'a theoretical analysis would tend to be driven by the researchers theoretical or analytical interest in the area' (2006:83). However, it appears that this distinction is a matter of degree and these authors point to the fact that researchers, when working in the inductive context remain intimately connected with the theoretical background. The subtleties of this are further emphasised in the considerations of Rapley (2011), discussed also above. In the context of defending the data analysis approach in the inductive setting, he refers to the need for avoidance of:

...importing too many a priori presuppositions about what you think should be going on in there. That is not to say you cannot draw on your prior reading, knowledge or experiences from the field. In thinking about and designing your interview schedule, setting up interviews or observations, or collecting documents or recordings you will already be making and forming analytical ideas. However, these ideas should never wholly overshadow or be the sole direction of your sense making as you engage with your data archive. (Rapley 2011:281).

Further in this deductive / inductive debate Saunders et al. (2012:549) argue that:

Even though you may incorporate an inductive approach to your work, commencing your work from a theoretical perspective may have certain advantages. It will link your research into the existing body of knowledge in your subject area, help you to get started and provide you with an initial analytical framework.

These authors support the view that it is constructive to use the theoretical context, that has been unearthed in the process of making the research question, to shape the data analysis. However, and resonant with the view of Rapley (2011) discussed above, they also refer to the counterview which expresses that this approach may prematurely close off a fuller consideration of wider insights that may be available in the data, available through a more data driven approach. However, Saunders et al. (2012) point to the potential utility of a mix of deductive and inductive approaches. In this vein, on the coding of data in analysis, they confirm that categories 'can either be developed in advance by consulting the literature (concept driven category) or from the data collected (data driven category), or both' (2012: 557). The guidance by these authors is useful in this research and it is found that the balanced approach is helpful, with reference to the emerging theoretical context established in the literature synthesis and in the particular reality in which the research question is embedded.

### ***Structure arising from data analysis method***

Data analysis in this thesis is informed by the views of Miles and Huberman (1994) and supported, for example by Braun and Clarke (2006): Rapley (2010): Saunders et al. (2012) on the need for flexibility in the practical approach taken. This being set in the need to adapt to the particular setting of the research. Hence attention has been paid to the need to develop an appropriate qualitative analytical attitude (Rapley 2011).

In the deployment of the animated interview technique (Holstein and Gubrium, 2011) the data arising is formed in passages of conversation where particular depiction of meaning is elicited, in the conversations. Analysis of the data was carried out by close reading and re-reading of the interview transcripts and from this labelling was carried out. It is interesting that the experience from application of the animated interview technique was that the process of creating the construction of the dialogue, in the interviews, assisted immersion (Rapley, 2011) of the researcher, relevant to the subsequent data analysis. Labelling of the data was used to capture key, interesting and recurring components from the interviewees' views in the constructed context. Labelling was carried out in a process of continuing refinement and reflection. Following Rapley (2011) and Saunders et al. (2012) this close coding approach was used to defend the inductive quality of the data analysis. However, and also following the advice of these authors on balance in the sense making, the analysis also drew on the theoretical background and the author's knowledge from professional practice in SD. The coding process, based on close reading of the data, was used to derive categories from the data. Further consideration of these categories indicated their assembly under three dimensions. These being, Dimension one, tensions at the policy community / business community interface; Dimension two, the emerging notions of business purpose and Dimension three, higher education deficit in teaching of sustainable development and corporate social responsibility. Details of the categories formed are provided at section 5.1.2 Findings orientation. Pertinent to the animated interview technique the discussion undertaken in Chapter 5, within each of the categories, is illustrated by supporting extracts from the data used to form the category.

### ***The emergence of Higher Education in this research***

Pertinent to the process of this research it is of note that Dimension three - higher education deficit in teaching of sustainable development and corporate social responsibility, the HE component, arose during the empirical stage in the interviews. It is significant that there was strong triangulation of the views of the respondents concerning deficits in the HE provision. The matter was introduced by the respondent 1 in the first interview. Here is interesting that this view of respondent 1, a practitioner concerned with ESG performance rating, was strongly reinforced by ten of the other practitioner respondents, where the issue was raised. As per table 9, these respondents were drawn from a range of practice areas, and organisations. It is further of interest, in terms of triangulation, that the three academic

respondents also concurred with this view, adding various nuances from the HE perspective. It can be seen then that there was strong alignment in the views of the respondents on deficits, and it is notable that support was found in the literature for the position. This providing further assurance against interviewee or interviewer bias. Thus, it became evident at the empirical stage that this issue of HE educational provision, particularly in the context of business and management education, was of relevance to the research aim of exploring improvement dynamics in the business and society relationship. Here concerning the propensity for improved HE educational provision, to positively influence business behaviour.

As indicated, following the emergence of the HE strand in the inductive setting, and further to Rapley's (2011) advice on developing a qualitative attitude (Table 11) supported by Saunders (2012) this took the author to a review of pertinent components of the literature on HE and SD, in the particular context. Here in further reading in support of the data analysis. This literature is addressed at section 2.9.3 in the literature review and further in chapter 4. It is drawn on in the analysis in Chapter 5, where Dimension 3 is addressed.

### **3.4.6 Reliability and Validity**

Bryman and Bell (2011) consider the traditional views on the assessment of reliability and transferability, developed historically for application to quantitative research methods. They point out that in this setting, validity is closely associated with measurement. However, they confirm that the latter 'is not a major pre-occupation of qualitative researchers, the issue would seem to have little bearing on such studies' (2011:399-395).

Further in this vein, these authors expand a consideration of issues encountered in interpretation of the notions of reliability and validity, when their application is attempted in qualitative study. These authors confirm that the notions derived for quantitative research are external reliability, internal reliability, internal validity and external validity, and they provide a discussion of each. Briefly external reliability carries the meaning of the research being capable of replication. They point out that this is found to be problematic in qualitative research because of the mobility of the social setting (see also for example, Easterby Smith et al., 2002; Saunders et al., 2012). Internal reliability, refers to the situation when there is more than one observer, and consistency between them in the event of this. Internal validity refers

to consistency between what the researcher observes and the theoretical ideas developed. This is addressed above in the section on data analysis in the discussion of ways to obtain rigour in data analysis. External validity refers to the degree of generalisability of findings. The latter being problematic in the social constructionism context of the research.

However, of assistance in the qualitative context, Bryman and Bell (2011:395) cite the following proposal, of Lincoln and Guba (1985) and Guba and Lincoln (1994) that:

...it is necessary to specify terms and ways of establishing and assessing the quality of qualitative research that provide an alternative to reliability and validity. They propose two primary criteria for assessing qualitative research that provide an alternative to reliability and validity. They propose two criteria for assessing qualitative study: *trustworthiness* and *authenticity*.

Trustworthiness is made up of four criteria, each of which has an equivalent criterion in quantitative research:

- *credibility*, which parallels internal validity;
- *transferability*, which parallels external validity;
- *dependability*, which parallels reliability;
- *confirmability*, which parallels objectivity. (Bryman and Bell, 2011:395)

On credibility; due to the availability of different accounts of reality it is important that the researcher follows good research practice in research methods and this is addressed in the section on data analysis above. In the context of the paralleling of internal validity, it seems interesting that Bryman and Bell (2011:395) cite LeCompte and Goetz (1982) in support of the view that qualitative research tends to have strength in internal validity. This in light of immersion of the researcher in the reality. By extension this seems to be relevant in the circumstances of the animated interview technique (Holstein and Gubrium, 2011) deployed in the research herewith.

On transferability: ‘qualitative findings tend to be orientated to the contextual uniqueness and significance of the aspect of the social world being studied’ (Bryman and Bell, 2011:398). Referring to the discussion in the subsection above on Rich Data; transferability is premised on the adequate provision of rich or thick data, on the basis of which other researchers can make their own empirical judgements based on their own judgement about transferability.

Thus, the provision of rich data is important in this respect as well as in achieving the research aims and objectives themselves.

On dependability: Bryman and Bell (2011:398) refer to the development of an ‘auditing’ approach in which there is emphasis that includes maintenance and accessibility of records – including on selection of research participants, field notes, interview transcripts and so on. This approach is congruent with the advice on good research practice offered for example by Braun and Clarke (2006) and Rapley (2011) which is followed in this research, and discussed above in the section on Data Analysis.

On confirmability: ‘while recognising that complete objectivity is impossible in business research, the researcher can be shown to have acted in good faith; in other words, it should be apparent that he or she has not overtly allowed personal values or theoretical inclinations manifestly to sway the conduct of the research and findings deriving from it’ (Bryman and Bell, 2011:398). Here again this advice is congruent with the good research practice advised by other authors, and is followed in this research.

Turning to the other criteria, of Guba and Lincoln raised above for assessing qualitative study, authenticity; Bryman and Bell (2011) go on to consider this and highlight subtleties. In brief, this discussion is partly framed around fairness in the sense of relevant stakeholder engagement in the research sample. It also has regard, in a nuanced way, to the propensity for the research to bring about better understanding and change. Seeming to be in keeping with the research herewith, in the social construction of sustainable development, these authors point out that the authenticity criteria of Guba and Lincoln are concerned with practical outcomes.

### **3.4.7 Research ethics considerations**

Concerning research ethics, according to Saunders et al. (2012:230):

Codes of ethics are intended to avoid poor practice, malpractice and harm...as well as to promote ethical practice and private or public good...To avoid harm, or at the very least to minimise it, it is necessary to evaluate risk. Evaluating risk involves thinking about the likelihood of harm occurring and the extent or severity of harm that would be caused.

In ethical context this Thesis is guided by the policy of the University of York, the researcher’s affiliated institution. This is through the University of York’s Code of Practice



on Research Integrity (University of York, 2016, a), the University of York's Code of Practice and Principles for Good Ethical Governance (University of York, 2016, b) and also by wider reading and the researcher's own professional and moral stance.

Writing in the context of her social constructionist approach in qualitative research, Ryen (2011:418) reviews the professional landscape and finds that:

Briefly the three main issues most frequently raised in the Western research ethical guidelines and by the professional associations are:

- codes and consent
- confidentiality
- trust

This author emphasises that these three issues are highly interlinked. They are clearly embedded in the ethical codes at the University of York.

One aspect of the ethical concern to create trust between the researcher and research participants, in the context of appropriate behaviour of the part of the researcher, is in defence of the wider research community. In this Ryen (2011:419) refers to the need for the researcher 'not to spoil the field for others in the sense that potential research subjects become reluctant to further study' [this corresponds with the] '*...obligation to the wider research community and to society as a whole to uphold the integrity of academic research*' (University of York: 2016, a;:1).

In a related vein, the issue of trust is considered as central to productive engagement in the qualitative interview process used. Gathering of sufficient rich and meaningful data is dependent on forming a trustful relationship with the interviewees:

...much of what will be possible will depend on the nature of the relationship that develops and whether sufficient trust has been formed. What is important is that researchers understand these issues when dealing with interviews. (Easterby-Smith et al., 2002:95)

As indicated the notions of trust and consent are intimately connected and developing trust is contingent on gaining consent from research participants. On this Ryen (2011:418) finds that:

Codes and consent refer in particular to ‘informed consent.’ This means that research subjects have the right to know that they are being researched, the right to be informed about the nature of the research and the right to withdraw at any time.

The York research code of practice requires the ‘acquisition of informed consent for research involving human participants and this is obtained from the interview participants’ (University of York, a, 2016:11). Consent was obtained from the interviewees in this research (Appendix 2) and they were informed of the nature of this research in a Project Information Sheet prior to this (Appendix 1). According to Saunders et al. (2012:231), addressing the rights of participants:

Those taking part continue to exercise the right to determine how they will participate in the data collection process, including rights: not to answer any question, or set of questions; not to provide any data collected; to modify the nature of their consent; to withdraw from participation; and possibly to withdraw data they have provided.

These rights were communicated to the participants in this research.

On the evaluation of risk assessment against harm to the research participants; the interviews did not require the disclosure personal or confidential information, or involve vulnerable individuals. Further the presumption of confidentiality provided in the University of York’s Code of Practice and Principles for Good Ethical Governance (University of York, 2016, b) was followed. In this the finding, below, of Saunders et al. (2012:231), was adhered to in this research:

Individuals and organisations should therefore remain anonymous and the data they provide should be processed to make it non-attributable unless there is an explicit agreement to attribute comments.

It seems important to emphasise the view of these authors that the expectation of anonymity is likely to enhance the quality of the research output. This is congruent also with the wider objectives of the York research ethics code (University of York, 2016, a).

Further of assistance in forming trust and credibility is the provision for a contact other than the researcher in the event of concerns about the research. This assurance is addressed by the York research ethics code in that ‘participants should be provided with details of a first point of contact through which any concerns can be raised’ (University of York, 2016, a :10). This information was provided in the project information sheet sent to participants (see Appendix 1). Research data is held in accordance with the University of York’s Policy on Research Data Management and associated guidance notes.

## **Appendix 1**

### **PROJECT INFORMATION SHEET**

#### **Business and sustainable development, in search of a new paradigm; exploring the propensity for business to connect legitimately with society in its core processes and strategy.**

You are invited to take part in a research study which is being undertaken as part of a Doctoral Research degree at the University of York by Neil Rotheroe. This work is supervised by Prof. Bob Doherty and Dr Simon Mollan at the York Management School. We would be very grateful for your participation, and we believe that it will greatly enhance the findings of this study.

In order to assist in your consideration of participation, information is provided below regarding the context of the research. Please do not hesitate to ask if you require any further information.

#### **Background to and purpose of the research**

Understandings of the social, economic and environmental components of sustainable development, their connectivity and interactions are the subject of ongoing sense making. Moreover, the relationship of corporate responsibility in organisations to all this, together with the responsibility of wider society in the setting, are at a developing stage of understanding.

Many current approaches to corporate responsibility on the part of business, business institutions and wider society are seen, by both the academic community and leaders and thinkers in business practice, as fragmented and lacking in direction. There is a perceived problem of lack of cohesiveness between business and society. This is framed in terms of social licence to operate, and 'new' types of business and society conversations are sought after. Embedded in these considerations are matters concerned with strategic leadership and engagement and with culture change in organisations.

A more coherent approach emphasising the formation of cohesiveness in business and society relations has been advocated. The purpose of the research is to explore the propensity for the further development of this approach, and to create further sense making in this emerging area.

#### **Your involvement**

As a senior individual / person with particular expertise, you have been identified as a potential participant in this study. This is by virtue of your knowledge and experience.

If you are willing to take part in this research, you will be interviewed in a place that is convenient to you. The interview will take approximately one hour. If you permit it will be audio recorded, or if this is not acceptable to you it will be recorded in the form of written notes. Before we start the interview, you will be given an opportunity to ask questions and I will ask you to sign a written consent form to confirming that you are happy to take part in the study.

It is envisaged that the research will involve approximately 15 -20 participants. Your participation, is of course, entirely voluntary. You are free to withdraw from the research at any time without giving a reason and without detriment to yourself or your organisation.

#### **Possible benefits**

This is an opportunity for you to share your professional knowledge and experience to inform developing understanding of the process of sustainable development and its interpretation at the level of the organisation. The findings of this study will help to form a better understanding of the

indicated development of business and society relations and will assist in understanding of positive factors towards the creation of a more inclusive and legitimate discourse.

### **Risks or inconvenience**

There are no risks attached to this study. Your interview script will be kept strictly confidential and is available only to the researcher.

### **The information you provide**

If you give permission for audio recording of the interview, the Interview tapes will be transcribed, if not just written notes will be taken. All recordings, transcriptions and interview records will be strictly confidential and kept in accordance with the Data Protection Act. This information will be used to write up the PhD thesis, and may be used in related published articles in professional and academic journals and conference presentations. The names of the people who have taken part in this or any other information that could identify them, will not appear in this thesis or in other written forms when this study is completed. This study has received ethical approval from the Humanities and Social Sciences Ethics Committee at the University of York.

If you have any concerns you wish to discuss with persons other than the researcher, the following contact details are provided:

The Director of Studies for this research is:

*Prof. Bob Doherty, The York Management School, University of York, Heslington, York, YO10 5DD (Tel. +44(0)1904 325038, Email [bob.doherty@york.ac.uk](mailto:bob.doherty@york.ac.uk)).*

Other contacts independent of the research are:

*Prof. Bob Cooke, The York Management School, University of York, Heslington, York, YO10 5DD (Tel. +44(0)1904 325050, Email [bill.cooke@york.ac.uk](mailto:bill.cooke@york.ac.uk)).*

*Prof. Tony Royle, The York Management School, University of York, Heslington, York, YO10 5DD (Tel. +44(0)1904 325061, Email [tony.royle@york.ac.uk](mailto:tony.royle@york.ac.uk)).*

All who take part in this research will be sent a summary of the final report, if they indicate so.

### **What is the next step?**

I will contact you to arrange a date and time for the interview. The consent form will not be used to identify you. It will be filed separately from all the other information.

### **Further information**

If you require any further information please do not hesitate to contact me on 0796 2258108, or email [n.rotheroe@googlemail.com](mailto:n.rotheroe@googlemail.com).

## Appendix 2

### The University of York

#### Consent Form

*‘Business and sustainable development, in search of a new paradigm; exploring the propensity for business to connect legitimately with society in its core processes and strategy.’*

**Researcher:** Neil Rotheroe (The York Management School, The University of York, Heslington, York, UK, YO10 5GD)

#### **Consent form for interview informants**

This form is for you to state whether or not you agree to take part in the study. Please read and answer every question. If there is anything you do not understand, or if you want more information, please ask the researcher.

Have you read and understood the letter about the study? Yes ☐ No ☐

Have you had an opportunity to ask questions about the study? Yes ☐ No ☐

Do you understand that the information you provide will be held in confidence by the research team? Yes ☐ No ☐

Do you understand that you may withdraw from the study for any reason, without affecting any services you receive? Yes ☐ No ☐

Do you understand that the information you provide may be used in future research? Yes ☐ No ☐

Do you agree to take part in the study? Yes ☐ No ☐

If yes, do you agree to your interviews being recorded? Yes ☐ No ☐

*(You may take part in the study without agreeing to this and we will just make written notes).*

***All data is held by The University of York in accordance with the Data Protection Act.***

---

Your name (in BLOCK letters): \_\_\_\_\_

Your signature: \_\_\_\_\_

Interviewer's name:

Date:

## Appendix 3

### ANONYMISED EXAMPLE OF AN INTERVIEW DISCUSSION GUIDE

- Introductory comments; conversation around the relevant areas concerning the connectivity between business and society.
  - Views on the recently produced UN Sustainable Development Goals with regards to their positive potential, as regards business and society. Propensity to bring change.
  - Role of respondent / NAME OF RESPONDENT'S COMPANY in the process of making the SDGs.
  - Refer to the mentions and linkages in the NAME OF RESPONDENT'S COMPANY annual report, and activity and the goals in relation to the SDGs?
    - Mapping activity
    - Changed activity
  - Activity from the UN, the UNGC and so on, to assist the drive of the SDGs into business – points on sectoral approach aimed at – for lifting all boats in various sectors. Refer to a NAME OF RESPONDENT'S COMPANY co-operation, as possible example. Other examples of sectoral approach being enhanced.
  - Critique of the historical approach in business to CSR, and calls for change and improvement; extent or absence of positive dynamic towards improvement.
  - Points on the developing discussion on business purpose and sustainability, proponents from business like Unilever, PepsiCo, Lord Browne, consultancies like McKinsey and Globescan, asset management e.g. Blackrock are strong voices, RESPONDENT'S OWN COMPANY activity.
  - On the matter that business cannot do SD on it's own: reference to RESPONDENTS OWN newspaper article on NAME OF RESPONDENT'S COMPANY and Small holder farmers:
    - Sourcing for growth partnership with farmers in NAME OF DEVELOPING COUNTRY
    - NAME OF RESPONDENT'S COMPANY PROJECT
    - NAME OF RESPONDENT'S COMPANY PROJECT Plan W Asia Pacific project
- Regarding change at scale through partnerships with local governments, NGOs and other local stakeholders. Views on prevalence and or propensity for development of this in general (industry peer group).
- Call for more legitimate or authentic connectivity between business and society; or business and its stakeholders. Need for a genuine and particular dialogue between business and its stakeholders here. Need to encourage the formation of space / spaces for this to take place and further move towards a position where this is seen to be a necessity for business and society in the construction of SD. Any advancements in this - construction of nodes as it were, in this respect, or existing structures / arrangements.
  - Short-termism of financial markets as a barrier to sustainable development linked initiatives in business, notably Paul Polman. Effects on NAME OF RESPONDENT'S COMPANY.
  - Culture development, NAME OF RESPONDENT'S COMPANY report refresher training on the NAME OF RESPONDENT'S COMPANY Code of Business Conduct.

Points on how internal culture is now geared to inculcate a comprehensive approach to sustainability with positive drive down to the coalface.

- Referring to the above; the extent of any sense of an upward trajectory in an increasing number of businesses, or on limitations to a magnificent few position.
- Points on the accusation of failure, made by both academic and practitioner circles, that government, in policy and legislative areas – fails to provide sufficient lead in SD management / direction of CSR.
  - Setting standards
  - Implementing regulation
  - Providing incentives

This is to provide a framework or demand side pull, in which business can be encouraged to apply its' innovative energies. Here the policy and legislative communities are felt to be failing to release / stimulate that innovation.
- Points on mandatory SD reporting.
- Criticism of higher education - HE perceived in failing in main part to step up the bar in SD and CSR education. CSR and SD is not generally perceived in business as central to the business agenda. Here lack of real top-level direction and strategic management; *'it'* is somewhat over there and perhaps not seen as central to career development of future business leaders; it is an add on. Points that HE is accused of not taking a sufficient lead and in the mainstream to make it, de-facto, central to business management education, in business schools and so on, and also in other HE areas such as engineering.



## **CHAPTER 4 LITERATURE SYNTHESIS AND THEORETICAL DEVELOPMENT**

### **4.1 Orientation**

This chapter provides the response to research question 2:

*What theoretical framing can be developed for appropriate synthesis of the literature, and to position the emerging notions of business purpose.*

#### ***The relevance of Political CSR to this research***

The chapter builds on understandings gained from the literature review pertaining to the theoretical context and to the relationship of this to developing practitioner perspectives. Here in relation to CSR, the literature review surfaces views on the need for advancements in the CSR theorising to take into account the developing context of, and understandings in, sustainable development. This with reference to the indicated need, in CSR theorising, to take account of the development of the current reality of rapidly increased globalisation which is discussed in the literature review (Dicken, 2015: Held et al., 1999: Held et al., 2000: Scherer and Palazzo, 2010: Scholte, 2005).

Here following orientation derived from the literature review the work of Scherer and Palazzo (2010), introduced at section 2.7.3 is found to be particularly valuable. One of the reasons for this is that it directly addresses this need to update CSR theorising to capture the reality of changes in the business and society relationship in the current conditions of globalisation and also in relation to the nature of the emerging global crises pertinent to SD. The latter being captured by George et al. (2016) as grand challenges, characterised as global problems requiring collaborative effort in the business and society setting. This in which the contribution of business resources is sought in pursuit of the realisation of the SDGs (for example Van Zanten and Van Tudler, 2018).

Given that the aim of this thesis is to seek to identify positive change dynamics in the business and society setting, the work of Scherer and Palazzo (2010) is usefully directing. The framing it provides offers a suitable focus and theoretical context for this study. This is in that it provides improvement in the theory in its conceptualisation of Political CSR. Here as a progression from the earlier economic and instrumental CSR theorising, which these authors characterise as failing to sufficiently address the current reality.

Of further support to the choice in this study to utilise the Political CSR in a framing context is the significance of the call, from established researches from different disciplines (for example Gray, 2007; Whiteman et al., 2013; Wood, 2010) for more synthesis of the research across disciplines. This being set as a response to their perception of deficits, in substantial progress, in improving the performance of mainstream business in matters pertinent to SD, despite many years of research effort in CSR. Here, in which they perceive synthesis activity across disciplines as a way to tackle this issue. Important to this, it is notable that Scherer and Palazzo (2010) address this matter directly in their conceptualisation of Political CSR. This in that their conceptualisation is carried out through a major effort in the synthesis of ideas from literature ‘in neighbouring fields such as international relations, international law, and political theory and philosophy’ (2010:9-10) and these authors build ‘upon conceptual ideas from these adjacent disciplines and develop an alternative perspective of CSR in which many of the recent CSR studies that transcend the traditional economic and instrumental view can be integrated’ (2010:10). A fundamental point about their work then, and a further reason for choosing it as a frame for the progression of the study in this chapter, is that it is integrative, built from a substantial base, and is set to provide synergy. Furthermore, it is important that these authors place their approach in a formative setting, and specifically urge further development of their theorising on Political CSR. They emphasise that their research is situated in an emerging context which is continuing to evolve. Sympathetic with the purposes of this thesis, they cast progress in understanding of the substantive issues as a learning process for business and society. This being conducive to the research aim, in this thesis, of exploring the propensity of business to connect legitimately with society.

### ***Utilisation of the themes of Political CSR in this chapter***

As indicated, the texture of the theorising of Scherer and Palazzo (2010) is introduced in the literature review chapter. Relevant to this Table 12, reproduced from their work, summarises and characterises their progression of the CSR concept from the old instrumental (on the need for this see also, for example, Browne et al., 2015; Reinecke et al., 2019) view to the new political conception. Hence this table summarises their construct of Political CSR which comprises of five ‘interconnected institutional, procedural and philosophical themes emerging on the CSR research agenda’ (Scherer and Palazzo, 2010:8). These being governance model, role of law, responsibility, legitimacy and democracy. The five themes, which are inter-related, are utilised in this chapter in two streams of activity.

The first stream of activity is directed by the rationale discussed above, for literature synthesis. Here drawing on the literature review, each of the themes are used as a framing for further synthesis and alignment of appropriate literature encountered in this study. Here with the purpose of assisting further understanding in the context of the complexity. In this activity there is no claim that one theme takes precedence over another, and this is not an intention in Scherer and Palazzos' (2010) theorising. In Scherer and Palazzos' (2010) theorising there is no competitiveness between the themes and they are not intended to be exclusive of one another. Rather, it is clear that the themes drawn up through a considerable synthesis and alignment effort on the part of these authors, to progress the CSR theorising, are suitable to carry forward further literature synthesis and alignment in the research herewith in pursuit of the development of further understanding. As indicated the themes are interconnected. Thus, the frame provided by the themes of Scherer and Palazzo (2010) is built on to address further developments in the literature encountered in the study herewith.

The second stream of activity in this chapter is directly relevant to Scherer and Palazzos' (2010) explanation that 'it is clear that our proposition to understand the corporation as a political actor is just a first step and that a lot of work lies ahead to further develop this approach towards a new theory of the firm that emphasises the public role of business firms' (2010:21). Following this direction, the intention here is to build upon the Political CSR theory. This by placing the emerging notions of business purpose, introduced in the literature review chapter (Browne et al., 2015: Big Innovation Centre, 2016: Burrows, 2017, Elkington, 2014: Globescan-BBMG, 2017: Globescan-SustainAbility, 2017: Fink, 2019: Grayson et al., 2018: Haski-Leventhal, 2018: Mayer, 2018: McKinsey, 2014: Polman, 2014: Reinecke et al., 2019: SDG Compass, 2017: Unilever, 2018: Volkman et al. 2020) into the Political CSR theory as a contribution to theory building. Here again this activity is carried out in each of the five themes of Scherer and Palazzos' (2010) Political CSR theory. In the discussion of the themes carried out below, in each of the theme sections, a sub-section is provided which summarises the relevance and fit of the business purpose conceptions within the theme.

### ***The SDGs, Political CSR, and the developing conceptions of Business Purpose***

Of relevance here is the matter that these notions of business purpose are being expressed as integral to the indicated need for related business intervention concerning the co-construction of transformative action aimed at the implementation of the SDGs. This in the business and society context, and is of interest in pursuit of the research aim of this thesis, which is

concerned with extant evidence of improvement dynamics in the business and society relationship.

This consideration of the SDGs in the business purpose movement provides another reason to place it in the Political CSR theory. This is because it is consistent with current developments in the Political CSR theory which are also moving into a consideration of the emergence of the SDGs. In this, in later work, Scherer (2018) refers in normative terms to the public interest and values and to ‘make these values explicit for critical reflection, and propose how research should change social reality and why’ (2018:389). In this respect he refers also to the emergence of the SDGs, which has occurred since the 2010 paper, and to other matters. However, relevant to the implementation of the SDGs, and to the discussion in the literature review chapter, he refers to the concern that ‘(t)he governance structures for bringing about more legitimacy and efficiency have yet to be developed’ (2018:396). Here, this thesis places the emerging business purpose notions as being a potential contribution to this development. Concerning the aim of the thesis this is concerned with business purpose as a potential change dynamic for improvement in the business and society relationship. As indicated, it provides further reason to place the business purpose notions in the Political CSR theory as a contribution to theory building.

Relevantly, Scherer (2018) illustrates his concern regarding the current situation in the business and society setting. He presents his view strongly, referring to existing deficits in current approaches relevant to the impending threat of denial of a liveable future in the face of the reality of the grand challenges (George et al., 2016). He emphasises the need for multilateral solutions and ‘responsible innovation’ (Scherer, 2018:399), indicative of the need for appropriate business contribution.

In this Scherer (2018) clearly indicates the role of business, and in which ‘(g)overnance responsibility is a meta-responsibility as it forms the conditions under which private, public and civil society actors define priorities of public policy and contribute to collective goals’ (2018:400). In this vein of development of the Political CSR theory in light of the SDGs, Voegtlin and Scherer (2017) point to the importance of business organisations as providers of innovation. In this business context they argue that ‘it is necessary to create, implement and diffuse new products, processes and services that specifically address the SDGs’ (2017:227). Being somewhat resonant with the views on active orchestration of Abbott and Snidal (2013) on TRSS, discussed in the literature review, Scherer (2018) advocates an orchestration

approach on the part of the policy community to draw in the large resources available within the major corporate sector (see also Van Zanten and Van Tudler, 2018).

Thus, it can be seen that this discussion in the developing Political CSR theory, around the emergence and implementation of the SDGs, further signposts the appropriateness of placing the developing notions of business purpose within the Political CSR theorising. Here it is clear that the developing business purpose movement calls strongly for explicit, strategically lead, contribution of business in the implementation of the SDGs (for example Grayson et al., 2018: PricewaterhouseCoopers, 2015: SDG Compass, 2017: Uniliver, 2018: Volkman et al., 2020).

### ***How this chapter is structured***

Hence this chapter is progressed below by providing analysis under each of the 5 themes of Political CSR conceptualised by Scherer and Palazzo (2010). Following the discussion above, each theme is provided with discussion in three components. The first component in each theme is an *orientation* section summarising the context of the theorising of these authors within it. The second component in each theme is a section on *literature synthesis and alignment*. The latter providing analysis in pursuit of sense making, enrichment of meaning and relevant indication of complexity. The third component in each theme is a section on the *key reasons for locating business purpose in this theme*. This to provide the rationale for the positioning.

TABLE 12 - CHARACTERISTICS OF THE INSTRUMENTAL AND NEW POLITICAL APPROACH TO CSR – source Scherer and Palazzo (2010:10)		
	Instrumental CSR	Political CSR
<b>1. Governance model</b> <ul style="list-style-type: none"> <li>• Main political actor</li> <li>• Locus of governance</li> <li>• Mode of governance</li> <li>• Role of economic rationality</li> <li>• Separation of political and economic spheres</li> </ul>	State  National governance  Hierarchy  Dominance of economic rationality  High	State, civil society and corporations  Global and multilevel governance  Heterarchy  Domestication of economic rationality  Low

	Instrumental CSR	Political CSR
<b>2.Role of law</b> <ul style="list-style-type: none"> <li>• Mode of regulation</li> <li>• Dominant rules</li> <li>• Level of obligation</li> <li>• Precision of rules</li> <li>• Delegation to third parties</li> </ul>	Governmental regulation  Formal rules and 'hard law' High(enforcement) High Seldom	Self-regulation  Informal rules and 'soft law' Low (voluntary action) Low Often
<b>3.Responsibility</b> <ul style="list-style-type: none"> <li>• Direction</li> <li>• Reason for critique</li> <li>• Sphere of influence</li> </ul>	Retrospective (guilt) Direct action   Narrow/local	Prospective (solution) Social connectedness (complicity)   Broad/global
<b>4.Legitimacy</b> <ul style="list-style-type: none"> <li>• Pragmatic legitimacy</li> <li>• Cognitive legitimacy</li> <li>• Moral legitimacy</li> <li>• Mode of corporate engagement</li> </ul>	High (legitimacy of capitalist institutions via contributions to public good) High (coherent set of morals that are taken for granted) Low  Reactive (response to pressure)	Medium – low (capitalist institutions under pressure, market failure and state failure) Medium – low (individualism, pluralism of morals) High – low (depending on level of discursive engagement) Proactive (engagement in democratic politics)
<b>5.Democracy</b> <ul style="list-style-type: none"> <li>• Model of democracy</li> <li>• Concept of politics</li> <li>• Democratic control and legitimacy of corporations</li> <li>• Mode of corporate governance</li> </ul>	Liberal democracy  Power politics  Derived from political system, corporations are de-politicised   Shareholder orientated	Deliberative democracy  Discursive politics  Corporate activities subject to democratic control   Democratic corporate governance

## 4.2 Analysis in the conceptual themes

### 4.2.1 Governance

#### Orientation

To recall from the literature review chapter, this component, provided by Scherer and Palazzo (2010), is set in the context of the reduction of the regulatory power of nation state governments over corporate business, in the present reality of expanded globalisation (Dicken, 2015: Held et al.,2000). This is in which CSR is not defined by domestic decisions but needs to be analysed at global level. It is also characterised by a breakdown in

differentiation between business activities and public political activities. This concerning such matters as corporate participation in the protection of human rights, corporations being change agents here, and also in the setting of other SD matters. It highlights the need for different, and globally situated governance mechanisms, compared to those set in the traditional national context. This in which business is placed in a milieu of multi-lateral action for global governance through decentralised deliberation. Here drawing on inputs from business, NGOs and international institutions where partnership working is exhibited and there is accent on providing access to the best available knowledge and resources. It is in which global governance for SD is cast as a meta-responsibility (Scherer, 2018).

### **Literature synthesis and alignment**

#### ***Deficits in connectedness of business and society***

It is interesting to note, pertinent to the research question 3 on thought leadership, that these views of Scherer and Palazzo (2010) on the role of business are also represented in the business purpose debate by Mayer (2018). Here, and also taken up further below, this author points to the traditional conventional separation between business activities and public policy activities as being inappropriate. It being destructive of human welfare through inhibiting the development of business purpose. It can be seen that the theorising of Metcalf and Benn (2012) on business and SD in their conceptualisation of the CIDEESS strongly fits in this space. This particularly in the latter's assertion of system failures for sustainability caused by lack of appropriate connectedness of business with society, through inappropriate, unconnected strategies for CSR. The discussion of these authors of the importance of the creation of social cohesion between businesses and their communities in the socio-economic system is important. This problem of disconnectedness of business CSR strategies is also underpinned in the practitioner community and is particularly emphasised, for example, by Browne et al. (2015). This view is emphasised more broadly, for example, by Grayson et. al (2018) and Volkman et al. (2020) in their positioning of the importance of the role business sector in taking part in advocacy and collaboration in driving forward the implementation of the SDGs. This attention on the SDGs is emphasised further in the emerging work of the British Academy (British Academy, 2018; British Academy, 2019, Younger, 2020) on business purpose, which is discussed further in section 4.2.5 below.

### ***Transnational regulation***

Concerning the reduction of the effectiveness of hierarchical regulation of corporations by nation states in the current reality of expanded globalisation, it is appropriate to consider the resulting emergence of new forms of political regulation which Scherer and Palazzo (2010) identify as operating above the nation state. Aligning also with the views of Steurer et al. (2005) on the need for multilateral action to secure SD, they characterise this as trans-national regulation and global governance, through their depiction of decentralised deliberation.

Evident from the literature review, synthesis of the literature is found to be appropriate and an aid to building understanding of the reality. In this respect, concerning research question 3 on thought leadership, significant synergy / re-enforcement is evident in various literature with respect to the need for consensus forming dialogue in the context, notably in management studies, business ethics and governance. Recalling from the literature review; in this vein the meaning and nature of the decentralised deliberation, referred to by Scherer and Palazzo, 2010 is further elucidated by Rasche (2010) in his consideration of ‘collaborative governance’ and by de Colle et al., (2014) in their consideration of a ‘*cosmopolitan democratic social community*’ and free and open dialogue based on ‘*tolerant reciprocity*.’

### ***Governance of SD***

In the interest of surfacing meaning in the complexity, in the reality of transnational regulation and global governance, regarding research question 3 on thought leadership, and in further pursuit of synthesis of the literature it is appropriate to consider the work of Abbott and Snidal (2013). Drawing on this work, Table 2 in the literature review chapter serves to highlight some of the differing types of transnational regulatory standard setting schemes. As discussed in the literature review, this characterisation is carried out by classifying the actors involved.

By way of example, it is interesting that these authors place the UNGC in this milieu, it being a vehicle for voluntary regulation for the corporate sector with the twin actors of the UN and business. It is predicated on the maintenance of human rights and on environmental principles. The UNGC is encountered at various points in this thesis and in particular in relation to activity oriented towards multilateral action for the implementation of the SDGs. As indicated above the SDGs became emergent during the course of this thesis and, in the space here, bring to attention particular developing emphasis in the emerging literature. In the



academic context Van Zanten and Van Tudler (2018) refer to the extension of the activities of MNEs into action that is explicitly concerned with multilateral co-operations in the sense of Scherer and Palazzo's (2010) conceptualisation of Political CSR. Concerning research question 3 on thought leadership, they extend these considerations into the indicated need for business and policy community cooperation to enable change at scale for the purposes of implementation of the SDGs. This, then, as a progression from the previous economic, instrumental and firm centric, inward looking paradigm which was confined to the short term institutionalised (Bondy et al., 2012) view of the economic interests of business. Further in relation to interactions at the policy community / business community interface for the purposes of implementation of the SDGs; this discussion is emerging also in the practitioner literature. In this respect the sought-after production of an enabling dynamic is discussed in the literature review chapter with reference to exhortations to bring down barriers between the corporate sector and the policy community (Earth Security Group ,2017: UN Global Compact-Accenture Strategy CEO study, 2018).

### *Sense making in the complexity*

It is also interesting here to consider the practical implications of Scherer and Palazzo's (2010) notion of decentralised deliberation by drawing on synthesis with other work. Thus on 'involving NGOs, international institutions, companies, workers and consumers...and a more intensive engagement in transnational processes of policy making and the creation of global governance institutions' (Scherer and Palazzo, 2010:12), the views of Scherer et al. (2013), written from a descriptive, rather than a normative perspective seem helpful here in order to emphasise the complexity confronting the business sector. This in relation to their assertion that in the face of the complexity of the environmental and social issues in play corporations must engage with other actors in a process of moral sense making as a matter of pragmatic necessity. This in order not to fall foul of misinterpretation of the factors which could threaten their licence to operate.

It is interesting to note that this view on the need for appropriate multilateral dialogue, for the purposes of sense making in the face of complexity is referred to also by Rasche (2010). As discussed in the literature review, he finds the need for a range of critical views, in a normative context. It is interesting to observe explicit call for this approach in sense making for the implementation of the SDGs. Relevant to research question 3 on thought leadership, in the policy practitioner context, a current example is provided in the literature review chapter

concerning the views of the new IMF Managing Director, Kristalina Georgieva (Georgieva, 2020). This in relation to her expression of the need for a partnership of international organisations, including business, in the formulation of adequately resourced responses to the SDG goal 10, on inequality.

### **Summary of reasons for locating business purpose in this theme**

Situated in the emergent business purpose view, the theorising of Mayer (2018) strongly fits with and re-enforces Scherer and Palazzos' (2010) view, embedded in the latter's Governance theme of Political CSR, that the traditional differentiation between business activities and public political activities is inappropriate. Here this separation is articulated by Mayer as being a detraction to human welfare. In this, and further strongly more generally expressed also in the business purpose movement, a progressive dynamic is sought in which business acts in a milieu of interactions with other stakeholders, to the ends of SD. This is captured by Scherer and Palazzos (2010) as decentralised deliberation and the view of the business purpose movement is placed in this by the research herewith. Here, in relation to Political CSR, this is characterised further by Scherer (2018). This in the further development of a normative stance, finding that the global governance of SD is a meta-responsibility in which the knowledge, innovation and resource intensity available in business is a sought-after contribution in the global governance and solving of the issues of SD (Voegtlin and Scherer, 2017).

Echoing the further discussion in the Political CSR theory on the development of the theory to include explicit consideration of the SDGs (Scherer, 2018: Voegtlin and Scherer, 2017), the business purpose movement also moves explicitly into this space and aligns with it. The latter is evidenced, for example, by the formative work on purpose being carried out by the British Academy (British Academy, 2018: British Academy, 2019) and which is also exhibited in the development of the associated Ethical Purpose Initiative (Younger et al. 2020).

## **4.2.2 Role of law**

### **Orientation**

Returning to the thrust of the discussion in the literature review chapter, the effective exertion of hard law, here in the regulation of corporate behaviour, relies 'upon an intact national governance system with proper execution of formal rules (hard law)' (Scherer and Palazzo,

2010: 12). This prior to the present extended circumstances of globalisation. It being based within the bounds of the nation state and under which conditions the now, in the sense here, outdated traditional theory of the firm was developed. International law has been seen as being confined to the regulation of states and not substantially applicable to private businesses. However, in the new reality of expanded globalisation, the diminished ability of nation states to respond adequately to the regulation of the global scale pressures arising in the social and environmental aspects of SD has lead to the consideration of new responses. These including those in which '(b)usiness firms engage in processes of self-regulation through 'soft law' where state agencies are unable or unwilling to regulate' (2010:13).

### **Literature synthesis and alignment**

#### ***Perspectives on soft law***

As discussed above these processes of soft law include the involvement of non-government actors, and take many forms, many are substantially outside the realm of the public authority setting. As discussed in the literature review chapter, meaning here is enriched by the characterisation of the different types of soft law initiatives, that have ensued, by Abbott and Snidal (2013). A summary of this is provided at Table 2 in the literature review chapter. It is also provided by the theorising of these authors in their consideration of the strategies of regulatory collaboration and orchestration.

It is interesting also that Rasche (2010), as discussed in the literature review chapter, assists understanding in the discussion in a number of ways. Being convergent also with the views of Abbott and Snidal (2013) he emphasises the burgeoning of soft law initiatives, competition between the multi-stakeholder standards and the problems that this can cause by way of confusion in the business market place in the selection of appropriate schemes. It also can present difficulties in relation to the ability of particular initiatives to gain sufficient traction to be useful in appropriate transformation of business behaviour. As discussed above Rasche (2010) emphasises the need for collaboration between initiatives. Pertinent to research question 3 on barriers, these matters are relevant to the process of exacting change at the level needed to be transformative, at the scale needed, in the various social and environmental issues indicated by the SDGs. Referring to the matter that there has been a relative burgeoning of multi-stakeholder standard schemes, this author points to a limiting factor. This is in that their take up by companies has tended to be limited to those sectors where

there have been high profile problems and associated public concern. Other sectors with high social and environmental impacts, but without this attention, have not tended to participate.

Pertaining also to the discussion on business purpose Rasche (2010) raises the point that these standards need to be fully integrated into business strategy and not bolted on, as it were, for the purposes of gaining some form of tick box approval, without real improvement in business behaviour. From a practitioner perspective this issue is prevalent amongst the concerns of the business certification community. One example of this is provided by the recent update of the Environmental Management Systems Standard, ISO 14001 (ISO,2015). In the context, this action was taken with the intention of engaging strategic leadership towards more fundamental improvement in environmental performance, in participating businesses. Further in this vein, and also in the practitioner context, the SDG Compass tool (SDG Compass, 2017) addresses the matters of SD more widely. The tool is concerned directly with the need for business to increase its' contribution, to step up activity for the scale of change needed for the purposes of the SDGs. Here, also, deficits in strategic business management and business purpose are indicated.

### ***Perspectives on hard law***

Returning to the academic literature, and on resonance with the views of Abbott and Snidal (2013) on the enabling position possessed by IGOs through the strategies of regulatory collaboration and orchestration, Rasche (2010) refers to the advantage of government support for the promotion of certain schemes. However, he argues that there remains a need for national and supranational legislation. This view is re-enforced by the practitioner community in the findings of the workshop reported by Balch (2015). The report concerned indicates the value of voluntary collaborations but emphasises the need for hard law, but this in the context of while still gaining access to input from the innovative capacity of business.

Regarding research question 3 on barriers, this discussion is highly pertinent to the need to harness the large resources available in the major corporate sector. These including capital intensity, innovation and marketing intensity which can be deployed to the end of achieving change at scale for the purposes of the SDGs (PricewaterhouseCoopers, 2015: Van Zanten and Van Tudler,2018).

Here in pursuit of further meaning through synthesis, and triangulating from the legal perspective, it is useful to refer to the views of Mayer (2018) which are also discussed further below, under theme 5 – democracy. Relevantly, this author points to different types of

legislation, these being permissive enabling regulation and prescriptive regulation. As discussed further below, he exhorts the former to enable business purpose, and so to release a positive dynamic in the business / society relationship. This is in which business is situated to positive end in that it is mobilised to internalise and address negative externalities caused by business activity, in the domains of SD. However, he indicates also the further benefit of this, in that it then places business in the position of a positive orientation with respect to the other type of legislation, prescriptive regulation such as environmental regulation, human rights regulation and so on. This is in which, through business purpose - following a purpose raised above financial short termism - it will then be oriented towards taking a positive position concerning prescriptive regulation. This is one where it may act with the policy community to assist in the formation of appropriate regulation, and certainly be in the position of not acting to usurp relevant regulation. Here again the opportunity to bring about the mobilisation of the large resources available within the corporate sector seems important to bring to bear in the pursuit of change at scale.

#### **Summary of reasons for locating business purpose in this theme**

It can be seen that the business purpose theorising can be clearly located in this theoretical theme of Political CSR following Mayer's (2018) assertion, in support of the purpose movement, of the need to create enabling legislation to further release the dynamic of purpose. Here being through the enactment of appropriately enabling corporate governance law. This in which the taking up of purpose by business, going beyond the shareholder primacy paradigm and financial short termism, can be protected against legal threat from the short-term shareholder interest. Here in the process of forming this legislation, the purpose movement (particularly Big Innovation Centre, 2016: Big Innovation Centre, 2017) envisages an active fostering of co-operative and mutual effort, on the part of both the business and the policy community working together to the ends of business purpose. The objective of this enabling legislation being to the end of engaging a wider range of businesses in the purpose dynamic. This to move from the current predominant position in which take up of this dynamic is in large part limited to champions of the approach. The release of this purpose dynamic being to the end of achieving a situation in which business then acts to regulate its own behaviour in accordance with self-declared purpose and thus, in the sense here, self-regulation.

However, and relevant to the indicated need for the continuing elements of hard law (Balch, 2015: PricewaterhouseCoopers, 2015: Rasche, 2010) there is also a further dimension to this, which is indicated by Mayer (2018). Here, as discussed above, he indicates a further benefit. This is where the take up of business purpose promulgates a co-operative approach on the part of business with stakeholders in the policy community. Here in the formation of, and compliance with, elements of prescriptive regulation perceived by society as necessary in regulation of matters concerning SD, such as human rights protection and ecological protection. The assertion is that the knowledge intensity and innovation resources available in business can be tapped into, working with business in a co-operative frame, by the policy community to improve the effectiveness of legislative intervention. This being in a mutual effort at the business and policy community interface, where business is oriented by the adoption of business purpose.

### **4.2.3 Responsibility**

#### **Orientation**

The theorising of Scherer and Palazzo (2010) refers to a change in the scope of CSR. This being a progression from the earlier conception which was conceived prior to the present reality of rapidly expanded globalisation. This earlier theorising being based in a ‘liability logic’ (2010:14), in the legal context which seeks to apportion guilt, in the sense of protecting a stakeholder from harm arising from corporate activity. Their development is to move to a different frame. This is one which characterises complicity, in the circumstances of events in a supply chain. Here the corporation is identified as being complicit in the acts of others, for example in human rights abuses or environmental destruction, carried out by others in supply chains and ‘from which they themselves benefit, and which they have encouraged or tolerated through their own behaviour’ (2010:15). Consideration within a social connectedness model is proposed for this reality in which ‘for social and environmental problems further up the supply chain the liability concept of responsibility no longer holds’ (2010:15). This social connectedness model is concerned with finding solutions in the circumstances of a network (Scherer et al., 2013) of the stakeholders involved, so as to inform an adequate response in normative context. This is situated by Scherer and Palazzo (2010) in Political CSR which takes place through the process of democratic deliberation, where solutions are a social construction.

#### **Literature synthesis and alignment**

### ***Academic perspectives***

In the academic context the views of Isaksson et al. (2010) are productive in this space in the need for creation of dialogue in solutions oriented approach. This, pertinent to research question 3 on thought leadership, in their viable systems model for SD management in supply chains. This model exhorts a system focus with a comprehensive strategy across the whole supply chain. Aligning with the social connectedness model of Scherer and Palazzo (2010), dialogue in a multistakeholder approach is advocated at each part of the supply chain, in the particular operating environments existing, and also between the actors up and down the supply chain. A leadership prerogative, in the sense of instigation, is emphasised for the most powerful player in the supply chain. As in the social connectedness model outlined by Scherer and Palazzo (2010) the approach is one of social construction. This being to the end of an approach that is solution oriented, and not one that is based on the determination of liability in the legal sense, of the old CSR instrumental and economic paradigm. Resonant with the discussion in the sections above, and positioned here through the work of Grayson et al. (2018) and Mayer (2018) in business purpose, Scherer and Palazzo (2010) point to the need for explicit driving of the stance as core business strategy, to make for an effective approach. It is also again evident that the approach seems fundamental if progress to change at scale is to be made for the purposes of implementation of the SDGs.

### ***Practitioner perspectives***

It is helpful here to access meaning in this space, surfaced in the practitioner literature. By way of example in the setting of the garment industry supply chains of the global brands and retailers involved, the case of Rana Plaza disaster is raised in the literature review chapter. Pinpointing the issues, it is illustrative of the sort of dialogue that is really needed. The consequences of deficits in this respect and the indicated need for a multilateral approach between states, corporate business, factory owners, employees, NGOs, international institutions and local jurisdictions are brought into relief in the Action Aid report on the disaster (Action Aid, 2016). Concerning research question 3 on thought leadership, it is illustrative of the need to build capacity to the end of co-creation of solutions at the interface business and the policy community and between businesses.

Further from the practitioner literature, the views of Browne et al. (2015) are relevant to bring to bear in this space of social connectedness. This concerns the argument of these authors of the need for business to carry out authentic connectivity with stakeholders, and in which the

drive for this is explicitly strategically lead within the business. This with the central engagement of business purpose.

#### **Summary of reasons for locating business purpose in this theme**

Business purpose theorising is placed in this theme as it is driven by the forward-facing solutions-oriented approach captured in the theme, and which is predicated on increased dialogue of the business with its stakeholders. Further it is congruent with the dynamic of this theme in that it concurs with the need for an approach in companies that is be fundamentally centred in business strategy (for example Browne et al., 2015; Grayson et al., 2018; Mayer, 2018).

#### **4.2.4 Legitimacy**

##### **Orientation**

As indicated, in discussing their conceptual development of CSR into Political CSR, Scherer and Palazzo (2010) refer to the economic theory of the firm and the associated traditional instrumental conceptualisation of CSR. They explain that both of the latter are situated in cognitive and pragmatic legitimacy. Cognitive legitimacy being situated in the earlier circumstance when the nation state was perceived as possessing sufficient control to be able to regulate business behaviour and which was set within the steer of ‘that’ set of locally accepted values, prevailing in the state. They identify pragmatic legitimacy, in the context, as being concerned with business carrying out of CSR because it is perceived as being for the purposes of self-advantage, rather than in a normative setting. However, in the circumstances of rapidly increased globalisation, these authors refer to state and market failures resulting in the generation of harmful externalities. The latter being expressed as societal grand challenges (George et al., 2016) have led to the consequence of a reduction of belief in the free market as a cure all solution. Scherer and Palazzo (2010) explain that their conception of political CSR is instead rooted in moral legitimacy which ‘by contrast (to cognitive and pragmatic legitimacy) is based on moral judgements and an exchange of arguments on which an individual, an institution, or an action can be considered socially acceptable’ (2010:17). Hence, they indicate the development of Political CSR, which is an approach characterised by moral legitimacy. This to be constructed by means of a more developed dialogue between business and society aimed at directing business purpose. This in a legitimate discourse between business and other stakeholders, with ‘a focus on argumentation rather than rhetoric’ (2010:18).



## **Literature synthesis and alignment**

### ***Market failure***

The above observations concerning the failure of global governance in the current predominant version of globalised capitalism, and the consequent harm to wellbeing, are underpinned by the work of other theorists surfaced in the literature review chapter, see for example Milne and Gray (2013), Gray (2007) and Banerjee (2008). Resonant also with this, the need for the expression of a good capitalism - being to the end of SD, is also captured (Hutton, 2011; Marquand, 2014; Porritt, 2005; Stiglitz, 2010).

### ***Stakeholder dialogue***

As discussed, Scherer and Palazzo (2010) point to the driver of moral legitimacy in their construct of Political CSR. In this they advocate the creation of a genuine dialogue based on argumentation which is appropriate for the accomplishment of co-construction in the solution-oriented thrust indicated to bring about positive change. Here they raise the importance of dealing with distortion arising from power dynamics in the relationship between MNCs and their stakeholders. They find that 'in the context of CSR, the ideal conditions of a power free discourse are rather taken as a normative yardstick for the democratic quality of existing regulatory activities of private actors' (2010:18). Meaning in this space is further elucidated in the literature review chapter in the section on ethics and stakeholder involvement. Situated in the context of postmodern ethics, which is concerned with the social construction of reality, being placed as discourse ethics (Crane and Matten, 2010) and being rooted in Habermasian notions, Noland and Phillips (2010) refer to the generation of legitimate discourse. This in the context of directing corporate strategy which is derived, in the normative context, through the creation of legitimate discourse on the part of business, with stakeholders. However, concerning research question 3 on barriers, sense of the reverse situation in which stakeholders are manipulated in an instrumental way by business, to the end of the narrow short-term business imperative, is captured by Bondy et al. (2010). These authors find a tendency for this approach to become institutionalised in the major corporate sector, thus moving away from a normative stakeholder centric approach, which is indicated for the purposes of SD and in the implementation of the SDGs. In a positive frame and relevant to SD, Mason and Simmons (2014) provide indication of the type of stakeholder interactions necessary to translate values lead corporate strategy, through the lens of corporate governance, in their Stakeholder Systems Model. As discussed in the

literature review chapter, this draws on the notions of organisational justice and refers to dialogue with stakeholders, in the context of this.

### ***Practitioner perspective***

Further meaning is also surfaced in the literature review, concerning the indicated need for appropriate stakeholder dialogue, this from the practitioner perspective (BSI, 2013: GRI, 2013). It is interesting to observe that the matter of materiality (AccountAbility, 2013: AccountAbility et al.2006: Sullivan, 2011) is raised in the discussion concerning the Mason and Simmons (2014) model and also in relation to the production of standards. Regarding the latter, the further development of the GRI and also the development of a principles lead standard, BS8900 is identified in the literature review chapter. These initiatives are concerned with the matter of materiality. Regarding research question 3 on thought leadership, this is in the circumstance of sought-after stakeholder dialogue, in a legitimate discourse.

### ***Surfacing meaning in commitment for transformative action through dialogue***

An appreciation of the level of effort involved in creation of appropriate dialogue in these considerations of moral legitimacy seems important. Here de Colle et al. (2014), also referred to above in the governance section in the standards making context, point to the construction of an appropriate discourse based on shared values in free and open dialogue. It is axiomatic that this requires a particular commitment. Pertinent to research question 3 on barriers, they highlight some deficits in the instigation of this approach in the process of standards making. Further contributing to understanding in this space is the work of Schwartz and Tilling (2009). This also addresses deficits in dialogue in the standards making process in TRSS schemes. It is concerned with the making of the ISO standard ISO26000, Guidance on Social Responsibility (ISO,2011). These authors find that while this standard was based on an international and multi-sector co-operation, there remains concern that the standard provides legitimacy for participating companies following the process of the standard while not sufficiently addressing the real-world conditions in the context of affected stakeholders on the ground, in supply chains. This typically concerning adverse conditions suffered by workers in the supply chain in the globalised apparel and food sectors (Dicken, 2015: Reinecke, 2019: Slavin, 2017, Slavin, 2018). In the apparel sector, the particular case of the Rana Plaza disaster is raised above (Action Aid, 2016).

It is worthy of note that this rooting in moral legitimacy through appropriate stakeholder discourse is characterised in a formative setting, as an ongoing learning process for business and society. This is expressed by Scherer and Palazzo (2010) and is re-enforced by the observations of Rasche (2010) and de Colle et al. (2014), in the standards making context. Further in related vein, the theorising of Abbott and Snidal (2013) surfaces meaning, arising from their analysis of the dynamics of standards making through their considerations of the expansion of the notions of responsive regulation into the global arena. This is discussed in the literature review and emphasises the role of IGOs in the burgeoning field of TRSS schemes. Theirs is the aspiration, in the normative sense, to provide a framework through the provision of a regulatory lead by IGOs of TRSS schemes. In this context to guide and align the schemes, and to work appropriately between them. This in the sense of Scherer and Palazzos' (2010) adoption of the concept of moral legitimacy. The object being to expedite legitimate discourse between stakeholders to the end of addressing relevant social and environmental aspects of SD. These authors follow on this ambition through the strategies of regulatory collaboration and orchestration, discussed in the literature review chapter. Pertinent to research question 3 on barriers, they provide access to understanding of the real-world complexity of the task. They also emphasise the nuances concerning the engagement of the participating actors (see Table 4).

The emergence of the SDGs (UN, 2015) occurred post this research of Abbott and Snidal (2013). Relevant however to the need, discussed above, for business to be engaged in the implementation of the SDGs (Earth Security Group, 2017: PricewaterhouseCoopers, 2015: UN Global Compact-Accenture Strategy CEO study, 2018: Van Zanten and Van Tudler, 2018) it is interesting to see that Abbott and Snidal (2013) refer to the UNGC as a positive example in their category of construction of regulatory collaboration. The subsequent involvement of the UNGC with emerging sense making and guidance on the role of business in the implementation of the SDGs is discussed in the literature review (UN Global Compact, 2016: UN Global Compact, 2017), and as indicated above is a significant entity for the purposes of the discussion herewith.

Clearly Scherer and Palazzo (2010) depict the meaning of the challenge for business and society in their conceptualisation of moral legitimacy within Political CSR and the stakeholder processes involved. In the business and society relationship, these considerations can be seen to be central to the unfolding efforts in defining the role of business in co-creation of action on the implementation the SDGs. This is situated in the face of the Grand

Challenges (George et al. 2016) including such matters as climate change, inequality and global financial instability. At the business and society interface, innovation and novel approaches are sought (Biermann et al., 2017). This in circumstances of perceived deficits in performance (for example Ciepley, 2019; Grayson et al., 2018; SDG Compass, 2017) and the need to obtain business engagement for the purposes of change at scale (Van Zanten and Van Tudler, 2018) and of governance of these issues as a meta-responsibility (Scherer, 2018) which includes participation of business. It is interesting that, seemingly aligned with the strategy of orchestration proposed by Abbott and Snidal (2013), Scherer in the later 2018 work refers to the need for orchestration of Political CSR.

***Need for new ways of working to engender transformative change through dialogue***

However, it seems appropriate to further emphasise complexity in these considerations, in the context of research question 3 on barriers. Situated in this complexity and highly relevant to the discussion on the level of effort needed to go beyond incrementalism in pursuit of transformative action for the SDGs, it seems useful to further illustrate the emerging perceived need for a more developed stakeholder dialogue in the business and society setting of this research. By way of example, and indicating deficits, reference can be found to the need for new ways of working and organisational arrangements by the SDG Transformation Forum (available at <https://transformationsforum.net/>, 18-10-20) and also a new educational approach is advocated by H3Uni, a university for the third horizon, 2020 (available at <https://www.h3uni.org/>, 20-10-20).

By way of further example, this in the context of research lead academic interventions, the need for a more developed dialogue is clearly illustrated by Sharpe et al. (2016). Concerning research question 3 on thought leadership, this in which the latter point to the need to make the outcomes of relevant academic research transformational, in the context of SD. Here they provide a focus on the necessary knowledge formation and find the need to break down barriers between different forms of knowledge to the end of acting for transformative change. This is in which there is resistance to take up of academic insights on the part of practitioners because they are perceived as failing the test of real-world utility. Here these authors point out that epistemic (academic) knowledge alone is insufficient and that knowledge from *techne* (know how) and *phronesis* (practice) is needed (2016:4).

This discussion is situated in the complexity of the Grand Challenges (George et al., 2016) and the need for outcomes which enable transformative action, the essence of their argument

is concerned with improving dialogue with contributing societal stakeholders. This being in the action-oriented research setting, within a process that engenders practically useful outcomes. Situated in a multi-stakeholder convening context using futures methods, these authors position this in a model that they characterise as the three horizons model. This model advocates working with stakeholders through the creation of a particular form of discourse. In this to provide for and encourage input from, and between, stakeholders with different mindsets and experiences. Here involving the contributors in a reflective and reflexive way, which is empowering and self-actualising for the participants. The approach is concerned with harnessing and synthesizing managerial, entrepreneurial and visionary contributions in the practice of their three horizons model.

Aligning closely with this discussion, and further in relation to research question 3 on thought leadership, it is interesting that notions of the need for new ways of working are further underlined by Fazey et al. (2017). This in a societal consideration of what is implied and required to move beyond incremental change to transformative change, in relation to climate and other global SD challenges. These authors bring a social sciences, arts and humanities perspective to sense making in the meaning of transformation and to a consideration of the scale of the social, structural and cultural challenges implied. This in which business is situated as one component in a wider societal framework of politics, the policy community and civil society, needed for transformational change.

Thus, the indication is of one in which the complexity of creating legitimate discourse needs to be addressed. Pertinent to research question 3 on barriers, the resource implications would appear to be significant.

#### **Summary of reasons for locating business purpose in this theme**

The progression of business purpose theorising fits in this theme because it is predicated on the instigation of a more developed dialogue between business and society, engaging high discursive engagement, which is situated in a legitimate discourse and is captured by Scherer and Palazzos (2010) as being in their conception of moral legitimacy. Aligning with Scherer and Palazzos' (2010) progression from instrumental CSR to Political CSR, the business purpose theorising progresses beyond the instrumental approach to stakeholders apparent in earlier CSR theorising.

Further, a particular challenge for the developing business purpose movement is captured within the considerations of this theme. This concerns the real-world skill, effort and indicated application of resources required to bring about the needed improvement in stakeholder dialogue, in the business and society setting. This to engender the transformative change at scale which is implied in the achievement of the SDGs. Central to formation of the necessary effort in the business purpose movement in progressing the approach are the ideas of the proponents of new techniques for creating improved stakeholder dialogue between business and the policy community, in the context of moral legitimacy. Here this is for the purposes of knowledge formation, and in the utilisation of new ways of working in knowledge formation techniques (for example Fazey et al., 2017; Sharpe et al. 2016) and in collaboration (for example Grayson et al. 2018; Volkman et al., 2020). It is further concerned with developing activity, unfolding at the time of writing, concerned with initiatives involved with growing the authority of the business purpose movement (for example British Academy, 2018; British Academy, 2019; Ferrarini 2020; Younger et al., 2020) with multilateral input from academia, business and other actors in the policy community.

#### **4.2.5 Democracy**

##### **Orientation**

Scherer and Palazzo (2010) refer to the ‘blurring of the political and economic realms’ (2010:19) in the circumstances of advanced globalisation where, in exercising Political CSR MNCs de facto take a role in the provision and defence of human rights (Crane and Matten, 2004) and in regulation. This situation leads to questions of the accountability to society of the businesses concerned. In this respect and in the interest of maintaining control over business, in the democratic sense, these authors assert a deliberative model of democracy which is ‘able to acknowledge the contribution of both state and none state actors to global governance’ (2010:20). In this MNCs are politicised, this being in two ways:

...they operate in an enlarged understanding of responsibility; and help to solve political problems in cooperation with state actors and civil society actors.

Furthermore, with their growing power and through their engagement in self-regulation they become subjects of new democratic processes of control and legitimacy. (2010:20)

Interestingly in the circumstances of the current global crises, these authors also make the related Habermasian point that ‘(r)egulatory activities of governments should be connected to those processes of public will formation’ (2010:20) that are outside official government institutions. The latter being driven by ‘non-governmental organisations, civil movements and other civil society actors who map, filter, amplify, bundle, and transmit private problems, values and needs of the citizens’ (2010:20). Hence these authors situate their conception of Political CSR within a deliberative model of democracy.

### **Literature synthesis and alignment**

#### ***Business and public will formation***

It is clear that these considerations of business contribution to solving societal problems, being highly aligned with the discussion in the subsection above on legitimacy, are central to the role of business in the implementation of the SDGs. They are re-enforcing of this thrust and of governance of these issues as being a meta-responsibility (Scherer, 2018). On the role of government in this sought-after co-creation of sense making and action for implementation, it seems that the theorizing of Scherer and Palazzo (2010) is useful in pinpointing some current dilemmas and tensions.

In this, it is interesting to consider the example of climate change denial. Here the activities of pressure groups in the light of despair, at government inaction and industry negative lobbying to maintain the status quo - particularly amongst the young, seem important in the current context. The example seems useful in accessing meaning in the realm public will formation in the deliberative theory. In the current situation, at the time of writing, in which the Trump administration is withdrawing from the Paris Climate Change Agreement (Holden, 2019), of climate change denial and other associated concerns it is informative to observe the formation of expression of civil society will. The latter is critical of this state of affairs, being what many would see as the failure on the part of mainstream politics to address perceived government failure to act sufficiently. The recent Extinction Rebellion pressure group activity on the climate crisis is a case in point, together with the perceived reactionary backlash against it (Vaughan 2019). In this context of public will formation, and discussed in the literature review chapter concerning the climate crisis, the intervention of what could be seen as positive elements in the corporate sector, working with other stakeholders, in support of vigorous action on climate change is important concerning research question 3 on thought

leadership. In this a business contribution in the significant emphasis of the need for transformative action on climate change is evident and is discussed in the literature review chapter (for example, Fink 2019). Drawing further on the literature review, this can be seen to be captured in the business purpose conceptualisation. Here following Grayson et al.'s (2018) explanation of business purpose as including components of advocacy and collaboration on the part of business actors in their pursuit of business purpose

Further evidence of business contribution to the dialogue in this debate on the need for transformative change is readily available in the activities of think tanks and pressure groups. In this respect, and in an action-oriented context, mutual efforts in the expression of the need for transformational change are being articulated on the part of some large MNCs, think tanks and academics, see for example Globescan-SustainAbility (2017), Volkman et al. (2020). This activity being expressed in relation to the pursuit of the implementation of the SDGs and is expressed as business purpose. It is in the context of sense making in the business and society setting, and informative of the research aim of exploring change dynamics.

### ***Engaging business purpose for the SDGs***

However, the need for change at scale is indicated by Van Zanten and Van Tudler (2018) and Voegtlin and Scherer (2017) for the purposes of implementation of the SDGs. This brings to attention the importance of stepping up the input of business and, as indicated, placing it into the 'processes of democratic will formation and control' (Scherer and Palazzo, 2010:20). It can be seen that this, however, involves the corresponding acceptance by business of the need for change in the context here of Political CSR, and in this sense in positive intent. Here, however regarding research question 3 on barriers, concern is with the need to encourage the corporate strategy and core business processes in MNCs to the ends of the SDGs and so capture the major capital, innovation and knowledge intensity of business in this respect (particularly Business and Sustainable Development Commission, 2017: Earth Security Group, 2017: SDG Compass 2017: Grayson et al., 2018: Mayer, 2018). This debate intersects clearly with the emerging notions of business purpose introduced in the literature review chapter. However, it seems clear the need for strong leadership and strategic commitment are to the fore (Grayson et al., 2018: Metcalf and Benn, 2012: Polman, 2014: Unilever, 2018). While there is evidence of progress in organisations that champion the approach, concern remains regarding the propensity of the rump of business to engage with this agenda (see for example Grayson et al. 2018).



In further pursuit of meaning in this purpose debate, and regarding research question 3 on thought leadership, it seems useful here to refer further to the work of Mayer (2018). His elucidation of purpose fits into and strongly aligns with Scherer and Palazzos' (2010) construct of Political CSR. Here in the democracy theme, in which the business purpose conceptions set out wider consideration of the responsibilities of business in the business and society setting, pertinent to SD. Regarding the research aim of exploring change dynamics, this work seeks to address the need for change at scale in the provision of adequate (for example Ciepley, 2019: Van Zanten and Van Tudler, 2018) corporate response to articulation of purpose and the associated challenges of implementing SD. Concerning the latter, and relevant to research question 3 on barriers, this author indicates tensions at the business and policy community interface and usefully points to the complexity of the issues. In the purpose debate the work triangulates, particularly, from the perspective of corporate law and the associated implications for corporate governance.

### ***Enabling business participation in purpose***

Referred to also at section 4.2.1 on governance, and being aligned with Scherer and Palazzos' (2010) conceptualisation of Political CSR, Mayer (2018) considers the relationship between business activities and public policy activities. He provides that 'this conception of the corporation and its relation with society is incorrect and that the conventional separation between the state and firm has been damaging and unrealistic.' Here, pertinent to research question 3 on thought leadership, he refers to the prevailing condition in much existing corporate law and finds this to be an impediment to the expression of genuine 'commitment' (2018:150), on the part of companies, to a declaration of and implementation of purpose. In addressing corporate law, he points to the predominant notions of the primacy of shareholder interests over other stakeholder interests. This being associated with financial short-termism, and finds this to be a detraction from progress. This author argues that:

...company law should be reformulated to require corporations to articulate their purposes, to redefine the fiduciary responsibility of boards of directors to the delivery of their stated purposes, to produce accounts that measure their performance in relation to them, and to implement incentive arrangements that reflect their success in delivering them. The directors should thereby be accountable not simply to their owners but more generally to those in whose interests the corporations are being run. (2018:42)

He firmly places the discussion here around the potential propensity of the policy community to enable corporations to strategise for purpose through the enactment of appropriate company law, which legitimises the position of business in taking this course. The use of the law, in this way, is thus pinpointed as an enabling dynamic.

The approach is differentiated from prescriptive regulation, the latter being designed to constrain socially damaging business activity, here relevant to the domains of SD. However, it seems significant that this author also finds that this enabling of ‘public purpose’ (2018:43) in business organisations also brings potential benefit in the separate realm of prescriptive regulation. This is in that the directors of these purposeful organisations would not be incentivised to fight or usurp the implementation of other appropriate prescriptive regulations because, unlike in the short-term shareholder primacy regime, ‘then the fiduciary duty of directors is no longer to avoid regulation to the benefit of their members but to promote their regulatory requirements as part of their regulatory charters’ (2018:43). Given the resources, power and influence of the major corporate sector the potential implication for this scale of co-operation at the business and policy community interface, where existing negative tensions are revealed, seems significant. As a positive dynamic this can be seen to be relevant in the co-construction of action at the business and policy community interface for change at scale utilising the resources of the corporate sector (Scherer, 2018: Van Zanten and Van Tudler, 2018: Voegtlin and Scherer, 2017).

### *New business models*

Situated in this discussion where businesses are enabled to generate their unique interpretations of purpose, and concerning research question 3 on thought leadership, it is interesting to consider the further views of Mayer (2018). Here he envisages the advantages of the plurality of business models created in the process. This in the sense of the creation of innovation and business opportunity, geared to addressing societal SD challenges. In this vein and in pursuit of meaning through further synthesis of the literature, consideration of the creation of new business models seems important. As discussed in the literature review, this is particularly addressed by Reinecke et al. (2019) in the context of downward pressure on human rights in the value chains in the food and clothing sectors. These authors illustrate improvement potentials geared to sustainable business models ‘viewed as ways of integrating societal and environmental concerns systemically into the way business is done’ (Reinecke et al., 2019:7) and illustrate thinking and practice geared to improvement. However, they

analyse business models into the components which they identify as the consumption regime, the production regime (supply chains) and profit regime (shareholders). Here they find that most current CSR interventions are confined to the production regime and so overall do not challenge the root cause of the problem, which they identify as being significantly located in the profit regime with coupling to insufficiently engaged consumerism. The profit regime commonly dictating a cost down business model which is predicated on shareholder primacy and financial short-termism. They find many CSR interventions of limited effectiveness because the underlying business model is not changed. In the context here there is a lack of reform of business purpose.

### ***Forming co-operation at the business and policy community interface***

Further in this vein, and also in pursuit of synergy of literature under this democracy theme of Political CSR, it is useful to return to further consider the Purposeful Company Interim Report (Big Innovation Centre, 2016). Introduced in the literature review section, it is worthy of note that this report and following work (for example, Big Innovation Centre, 2017) is formed through a cross sector co-operation of academics, regulators and leading business practitioners. While written with a UK focus, it is highly aligned with the views of Mayer (2018). Congruent with the views of the latter author it provides a sense of importance in the building of trust that is needed at the business and policy community interface. Here, set in the face of perceived social, economic and environmental damage arising from pervasive and assertive financial short-termism in the existing predominant shareholder primacy model, the consideration of an enabling reform in company law to the benefit of the formation of company purpose is argued for:

It would be better that business pre-emptively shapes what can and should be done by rallying behind a feasible reform programme rather than waiting for external, possibly ill-judged interventions, driven by impatience and anxiety for change. (Big Innovation Centre, 2016:16)

Thus, pertinent to research question 3 on thought leadership, construction of co-operation at the business/policy community interface is exhorted. As indicated in the literature review these authors describe their views in the context of creation of an enabling wider ecosystem, in way of law, regulation, corporate governance and taxation and, also being aligned with Mayer (2018), concerning company ownership and governance at company level.

### ***Business, legitimate connectivity with society***

Further considering the work of Mayer (2018); it is constructive that this can be utilised to assist understanding in the extension of Scherer and Palazzo's (2010) conception of the deliberative model of democracy in Political CSR into business purpose. Here, concerning research question 3 on thought leadership, access is through the further depth he adds to the debate on business purpose. Valuable in this is his consideration of the propensity of corporations to act as 'integrity transformation devices' (2018:56). Here this author points to the contrary, prevalent situation, where many act contrary to SD through contributing to negative externalities. However, set in relation to the ethical concept of 'virtuous integrity' (2018:57) he points to the positive potential of corporations to define and declare their purpose. Here being resonant with Metcalf and Benns' (2012) conception of social cohesion within the CIDEESS, Mayer (2018) elucidates purpose in terms of his conception of value. This in which the corporate entity considers the external operating environment, with which it interacts in a broad context. In these circumstances it sets its value in relation to this, in consideration of the position of range of societal stakeholders, and defines itself through the value it provides to society. This in relation to the benefits it brings to stakeholders in its particular business and society setting. He argues that from this positive position, the organisation can drive a declared purpose which is then maintained through a particular approach to ownership, governance and accountability and associated reporting. The outcome of this is that the corporation can 'convert norms into sustainable outcomes' (2018:57).

### ***Tackling the global crises***

Resonant with Metcalf and Benn (2012) and with Isaksson et al. (2010) in their capturing of the need for leadership in systemic change, Mayer (2018) emphasises the importance of leadership in this for the driving of culture change in the corporate entities. It is interesting that Mayer (2018) imbues the need for change in the light of the grand challenges (George et al., 2016) with a similar sense of the impending crises for society to Scherer (2018).

Relevantly, Mayer (2018:35) refers to the urgency of the developing crises thus:

...through growing inequality, poverty, and environmental degradation that give rise to social disorder, national conflicts, and environmental collapse on scales that are almost impossible to conceive of today. We are on the border between creation and cataclysm, and the corporation is in large part the determinant of which way we will go.

Further relevant to research question 3 on thought leadership, he asserts the need for the development of the corporation to what he characterises as the awaited 7th age, in its' historical development. Being congruent with Grayson et al.'s (2018:5) prediction of a coming and sort after 'regenerative era' of corporate sustainability leadership, Mayer (2018) characterises his 7th age as being that of the trusted corporation, in which the corporation behaves in accordance with its self-determined value, geared to the benefits it brings to stakeholders in its business and society setting. This is where, as indicated above, it resolves an identity which responds to its defined value through the exhibition of appropriate and defined purpose. In this he points to the failure of the current short-term shareholder primacy driven business models in which concern is largely limited to financial capital. Here he argues that the current over-emphasis on financial capital is an error in the driving of business. He points to this as stifling innovation in the need to address the 'deficiencies in economic performance, distribution of income and wealth, and social well-being' (2018:10).

He ties this directly to damage to the business / society relationship and also to the current disaffection with politics. Being re-enforcing of current debates in materiality in the context of SD (see for example AccountAbility, 2013), this author finds the need for business purpose to be set in place through corporate governance and accountability, '...by balancing and integrating the five different components of capital that comprise their business activities – human capital (employees, suppliers and purchasers), intellectual capital (knowledge and understanding), material capital (buildings as machinery), natural capital (environment, land and nature), social capital (public goods, trust and social infrastructure), and financial capital (equity and debt)' (2018:41). He refers to the associated need for boards of directors to produce accounts that measure and report, relevantly to their declared purpose, against these capitals. Being aligned, for example, with the views of Milne and Gray, (2013) and Whiteman et al., (2013) discussed in the literature review – this author maintains that corporate concentration on financial capital has led to the erosion of social and natural capital. This contributing to the present crises.

### ***Increasing support for the business purpose dynamic***

Following the research aim, and being in pursuit of surfacing change dynamics, it is important to consider some emerging aspects in the business purpose discussion. Concerning research question 3 on thought leadership, this being pertinent to the consideration of barriers at the business and policy community interface considered in this thesis. Here following a

particular trajectory of the discussion on purpose it appears that further traction is being obtained in promoting the thinking in, and transmission of the messages of, business purpose. This in bringing alignment of the efforts, and views of academics and practitioners. In this respect it is interesting to note the view of Ferrarini (2020) writing on the work of Mayer (2018). This is in which the former refers to Mayer's (2018) and earlier work as unusual, in a positive sense, here in creating a strong policy debate both inside and outside academia which Ferrarini positions as important. He places this in light of current debates on the future of capitalism and of corporate governance.

It is important to note that this work on purpose is carried into the activity of the British Academy, by Mayer and others, and has been embedded in the British Academy programme which is considering the future of the corporation (British Academy, 2018). It is situated in a developing trajectory, in a formative setting. Here it is notable that the Reforming Business for the 21<sup>st</sup> Century Report (British Academy, 2018), and the Principles for Purposeful Business Report (British Academy, 2019) that builds from it, are research led in a multidisciplinary context, drawing on contributions from researchers in the humanities and social sciences.

It is a response to the Grand Challenges (George et al., 2016), and is explicitly set in the context of the SDGs. Pertinent to research question 3 on thought leadership, following Scherer's (2018) view of governance of the issues as being a meta-responsibility, it draws on the views of business leaders and exhorts wider involvement of the policy community. It is interesting that promotion of the work is emerging more widely. Further evidence of the promotion, and co-operative nature, of the approach being built by the British Academy, and co-operating organisations, in the purpose debate is provided by Younger et al., (2020). This is concerning the emergent, and developing, Enacting Purpose Initiative (EPI). This initiative is aimed at boards of directors, senior managers and investors and aims to provide guidance in the valid articulation and reporting of corporate purpose. Being congruent with the attributes of corporate sustainability leadership expressed by Grayson et al. (2018), in their elucidation of the EPI, Younger et al. (2020) frame components of the EPI discussion as purpose, values mission and vision. In this they emphasise the importance of purpose as strategy in the harnessing of business innovation in pursuit of an agenda of transformation. These authors provide a practical framework is provided for use in enactment of purpose in the company.

It is interesting to note that the effort carried out by the British Academy and others in the purpose debate is becoming evident in recent business professional literature aimed at board directors, other business professionals and policy professionals. See for example Hinks (2019), Hinks (2020).

Thus, it seems that this dynamic of business purpose, which became emergent during the course of this study (Grayson et al. 2018) is significant. Concerning the research aim, it is positioned as an important change dynamic, in the business and society milieu, for the purposes in the research herewith. However, it is situated in a formative setting. It is clear that, following the discussion in the literature review, progress is at an early stage.

Complementing this discussion, and also being directly concerned with business purpose, and to the placing of the latter into Scherer and Palazzo's (2010) conception of Political CSR, is the emergence of the Benefit Corporation (BC) and the closely related BCorp certification scheme. To recall from the literature review, the BC is concerned with enabling a corporate form, in for profit business, that is designed to pursue public benefit as well as returning a profit to shareholders. This is discussed in the literature review chapter where, relevant to research question 3 on thought leadership, it is framed academically in legal and ethical terms with reference to Hillier (2013). It finds support also from other authors in both the practitioner and academic setting (see for example Giridharadas, 2019; Grayson et al., 2018; Kim et al., 2016) and exhibits leading examples (for example Danone, 2019; Natura, 2019.). It is notable that Mayer (2018), from his position of exhorting the adoption of the business purpose, particularly endorses the BC model as an important advancement. He underlines the importance of the approach in locking in wider purpose as a fiduciary responsibility of directors. It is also interesting to note that the report by Reinecke et al. (2019) discussed above on the development of sustainable business models, refers to the utility of the initiative.

### ***Placing Higher Education in the business and society relationship***

In pursuit of further synthesis of the literature under this democracy theme of Scherer and Palazzo's (2010) construct of political CSR - and within this the placement of business purpose in this theory, it is productive to consider the positioning of HE. Here it is notable that Mayer (2018) in his exploration of purpose emphasises the role of academia and research in the provision of appropriate framing, and thus of the need for HE to be providing appropriate intellectual leadership. Indicating current deficits in this provision, his view is aligned with the authors introduced in the literature review chapter in the section on Higher

Education and the SDGs and utilised in the results and discussion chapter, see for example Elkington and Zeitz, 2014: George et al., 2016: Grayson et al. 2018: Haertle et al., 2017.: Kurland et al. 2010: PRME 1, 2019: PRME 2, 2019.: Snellson and Powell et al., 2016. This positioning of HE, focused in this thesis in a consideration of business and management education, is also clearly relevant with reference to HE as one contributing stakeholder in Scherer's (2018) finding of the implementation of the SDGs as being a meta-responsibility.

In his elucidation of purpose Mayer (2018) implicates the role of HE as being one of promoting the public interest. In the context of the social sciences – and in pursuit of further meaning and synthesis of the literature, it is productive to refer back to the discussion in the literature review chapter. In this the views of Mayer (2018) can be seen to align with those of authors whose research is focused in the HE sector. Here Kitchener (2019) and Watermeyer and Olsson (2019), pertinent to research question 3 on thought leadership, provide insights in the comparative recent erosion of the mission of the university as a creator of public good and as part of this a trend diminishing the role of the academic as a public intellectual. Here they emphasise the importance of contributions from HE in promoting public value focused on societal improvement through the conduit of the moral purpose of the academic and of scholarly integrity and in which there is strong connectivity, and interaction with, external stakeholders. In this space however, discussed in the literature review, they point to the recent comparative detraction from this position arising from increasing pressures in the sector of financialisation and performativity which result in diminished connectivity with external stakeholders. Kitchener (2019) emphasises the need for strategic leadership in this, on the part of school leaders, to promote public value in the face of the negative pressures discussed in the literature review.

Thus, following the purpose discussion, it is interesting that problems of lack of authenticity raised in the context of business connectivity with stakeholders (for example Browne et al., 2015: Grayson et. al., 2018: Mayer, 2018) are also exhibited in the context of HE. The HE purpose debate being articulated in terms of public value. As indicated above, concerning business in the business and society setting, perceived solutions include the explicit need for exceptional leadership.

### *Creation of a positive dynamic*

Thus overall, and pertinent to the research aim of exploring change dynamics, this business and society dynamic provided in the business purpose debate concerning corporate business,



and also in the purpose debate in HE which is articulated in the latter as public value, seems to be oriented to positive end. It is geared to solutions. This dynamic is clearly of importance in pursuit of sought-after business contribution in the co-creation of action for the purposes of implementation of the SDGs, which is situated as a meta-responsibility (Scherer, 2018).

### **4.3 Chapter summary**

Built from the literature review chapter, this chapter has further considered indications of a particular emergent change dynamic at the business and society interface. Pertinent to the progression of societal sense making on sustainable development (Biermann et al., 2017: UN, 2015), academic and practitioner views have been compared and found to show a high level of congruence. Here they capture a sense of crisis (Mayer, 2018: Scherer, 2018) in the context of the Grand Challenges (George et al., 2016) pertinent to the implementation of SD. The emerging theoretical construct of Political CSR provided by Scherer and Palazzo (2010) has been found to be a valuable as an enabler in these considerations. The five elements of political CSR characterised by these authors have been used to provide a theoretical grounding for the analysis in this research, and depict the normative setting. In this orientation and synthesis with other literature, including grey literature, has been carried out within each of the five themes. This has been used to access meaning in, and to illustrate the complexity (for example Abbott and Snidal, 2013: Rasche, 2010) of, the issues concerned and complexity of the processes indicated in achieving transformational change (for example Fazey et al., 2017: Sharpe et al., 2016). Arising here is indication of the need for a multi-lateral approach in solving the problems of SD, in which business is one vital actor. Sensemaking in the implementation of the SDGs, as being a meta-responsibility (Scherer, 2018) carried out in the frame of Political CSR in a stakeholder inclusive process of argumentation pursued in a more developed dialogue (Scherer and Palazzo, 2010) through legitimate discourse (Noland and Phillips, 2010) which form social constructions (Steurer et al., 2005), is provided in the synthesis discussions. Concerning this, tensions at the business and society interface are identified as being restrictive to progress, and the need for *authentic* (particularly, Browne et al., 2015: Grayson et al., 2018: Kitchener, 2018: Mayer, 2018: Metcalf and Benn, 2012: UN Global Compact-Accenture Strategy CEO study, 2018) connectivity between business and society is illustrated. Pertinent to this, fundamental failures in current business models are brought to attention (particularly Mayer, 2018: Reinecke, 2019). Indicated solutions which point to current failures in both the business and policy communities, are surfaced. This including in the provision of enabling legislation, to

influence corporate governance, which is mutually owned by business and the policy community, and built in a context of trust (Mayer, 2018: Big Innovation Centre, 2016). HE is also implicated in the failure to make sufficient progress. In this there is an indication of need for a changed strategic leadership approach (Kitchener, 2019: Watermeyer and Olsson, 2019).

One of the contributions of this thesis, achieved through interpretation of the literature review chapter, is to provide an addition to the theory. This is by placing the emergent notion of business purpose, and the perceived connectivity of this with the implementation of the SDGs, in the theory of Political CSR. Indication of the range of literature, in both the academic and practitioner context, relevant to the debate on business purpose is provided. The articulation of business purpose conceptualisation in the Political CSR theory is given further meaning by framing in terms of the public interest (Scherer, 2018). Mayer (2018) captures this through the exhortation of the need for businesses to orientate their activity, pertinent to SD, from a fundamental consideration of their value to society and from which they declare and implement purpose. This in an approach which is predicated on a consideration, on the part of the of the business operating in its' specific context, with reference to the legitimate claims of the range of stakeholders in that context. Mayer (2018) identifies this as taking place through the exercise of *virtuous integrity* and being congruent with Scherer and Palazzo's (2010) interpretation of *moral legitimacy* in their legitimacy theme of Political CSR. Concerning business purpose, and being placed within Scherer and Palazzos' (2010) conception of Political CSR, sense of the potential for corporations to be transformational in the context of their contribution to SD is brought out (particularly Big Innovation Centre, 2016: Mayer, 2018: SDG Compass, 2017). This in the changes they can bring through their power and resources (particularly Earth Security Group, 2017: Van Zanten and Van Tudler, 2018: Voegtlin and Scherer, 2017). Sense of progression of the business purpose movement is accessed. This is exhibited in the unfolding efforts to promote take up of the approach (British Academy, 2018: British Academy, 2019: Ferrarini, 2020: Volkman et al. 2020: Younger et al., 2020).

Thus, assembly and synthesis of the literature has been carried out within the themes of Scherer and Palazzo's (2010) conception of Political CSR, and the placement of the business purpose conceptions and the associated implementation of the SDGs in the Political CSR theory has been achieved. This is utilised in the analysis in the two following results and discussion chapter.

## CHAPTER 5 EMPIRICAL RESULTS AND DISCUSSION

### 5.1 Introduction

#### 5.1.1 Context

This chapter addresses the empirical results from this research. Following the aim of the thesis it is concerned with change dynamics in the business and society relationship. Thus, it considers system conditions and sustainability from the perspective of businesses, situated in their business operating environments. Relevant to research question 3, it is concerned with some of the factors inhibiting the sought after multi-lateral approach, including the dialogue indicated by the ‘decentralised processes’ advocated by Scherer and Palazzo (2010: 24). This being situated within their conceptualisation of Political CSR which is elucidated in the five interconnected strands discussed in Chapter 4. In this, and concerning research question 1, there is focus on the engagement of corporate efforts in the realization of the SDGs (Scherer, 2018; Van Zanten and Van Tudler, 2018; Voegtlin and Scherer, 2017). Further concerning research question 3, it is also pertinent to the discussion on the need to move beyond current CSR approaches to achieve systemic change (Browne et al., 2015; Isaksson et al., 2010; Metcalf and Benn, 2012; Reinecke et al., 2019). Pertinent to the research aim, this is orientated by the view that better business and society connectedness can be achieved through business purpose (for example, Big Innovation Centre, 2016; Grayson et. al. 2018; Mayer, 2018) with the centralisation of relevant SD matters in corporate governance, business strategy and processes.

Drawing also on Chapter 4, which responds to research question 2, the following discussion is oriented by the contribution from that chapter of a development of Scherer and Palazzo’s (2010) conceptualisation of Political CSR. This by extending it to include the emerging notions of business purpose and the associated co-creation of action concerning the implementation of the SDGs. In this business is considered as one actor amongst the other societal stakeholders, such as those in the policy community, and in which implementation of the SDGs is perceived as a *meta-responsibility* (Scherer, 2018). This is in which business is one participant in the circumstances of *public will formation* within Scherer and Palazzo’s (2010) conception of Political CSR. Here, concerning research question 3, co-construction of action to implement the SDGs is situated as a multi-stakeholder endeavour and, as elucidated in previous chapters, is positioned as necessary to make substantial progress. Further regarding research question 3 - arising in the empirical component of this inquiry, in this

context of the governance of sustainability as being a *meta-responsibility*, the position taken by HE as an actor in the business and policy community milieu emerged as an important consideration in this research (Djordjevic and Cotton, 2011; Haertle et al., 2017; Inman, 2018; PRME 1, 2019; PRME 2, 2019; Snelson-Powell et al., 2016). In the HE context, one of the contributions of this chapter is to provide a link to the emergent notions of business purpose in the business sector and the ideas of public value in HE. Surfaced here is the association of the notions of public value in HE with purpose in the HE sector, and the importance of this to the business purpose effort in the business sector.

In the business and society context, the importance of HE to be at the edge of the ideas leading the development of practice in the education of future thought leaders in society, is brought out. This is including for those who will be / are leading business, and directing the stance of business purpose in the imperatives of SD (Elkington and Zeitz, 2014; George et al., 2016; Grayson et al., 2019; Pitt-Watson and Quigley, 2019).

### **5.1.2 Findings orientation**

The categories emerging from the data analysis were resolved into three dimensions. The first dimension, having a business perspective focus, was tensions at the policy community / business community interface. The second dimension, also having a business perspective focus was the emerging notions of business purpose. The third, having a focus on higher education, was higher education deficit in teaching of sustainable development and corporate social responsibility. As indicated, the dimensions were founded on the categories, and the structure of this is shown below:

#### *Dimension one, tensions at the policy community / business community interface*

Categories in this dimension:

- General stakeholder dynamics
- Positioning government regulation

#### *Dimension two, the emerging notions of business purpose*

Categories in this dimension:

- General articulation of business purpose
- The Benefit Corporation

- Business and the SDGs
- Achieving change at scale

*Dimension three, higher education deficit in teaching of sustainable development and corporate social responsibility*

Categories in this dimension:

- Centralisation, general failure of
- Interdisciplinary approach
- Lack of relevantly skilled academics in the teaching context
- Lack of UK provision in business and management schools
- Strategic determination
- Deficit affecting professional outcomes (real world)
- Failure to create dialogue

Relevant to this chapter and as discussed in the Methodology and Method chapter, the elite interview process for the research was carried out using the Animated Interview method - following Holstein and Gubrium (2011). Pertaining to this method illustration from the data is to the fore. Extracts are provided throughout the discussion, within the categories. This to provide texture in the constructed understanding emerging as the output of the interview method.

The following discussion considers these dimensions in their component categories with reference to relevant theory and practice.

## **5.2 Dimension 1 – tensions at the policy community / business community interface**

Following the research aim of exploring change dynamics, this dimension addressed relevant interactions at the interface of the business and policy communities.

The results interpretation and discussion in this dimension are carried out below in the two categories identified and are illustrated using supporting extracts from the data.

### 5.2.1 Category, general stakeholder dynamics

#### *Deficits at the business and policy community interface*

The analysis in Chapter 4 the synthesis chapter, which is orientated and framed by the concept of Political CSR (Scherer and Palazzo, 2010), is indicative of the importance of the creation of a positive business interface between global business and the policy community. This to the end of co-creation of activity in the implementation of the SDGs, and hence of transformational change. It is within which the implementation of the SDGs is perceived as a meta-responsibility (Scherrer, 2018), where business is a key actor. Pertinent to research question 3 on barriers, the following illustrations and discussion address the extent of creation of such a dynamic.

In this Respondent 9 provided the following passage, from the standpoint of a senior level corporate business actor involved in the creation of dialogue, concerning the realisation of the SDGs. This in relation to an expressed need to engage the core business purpose and business processes in MNCs to achieve the change at scale indicated (for example Ciepley, 2019; Grayson et al. 2018; Mayer, 2018; Van Zanten and Van Tudler, 2018).

R

There's a discussion on the SDGs going on around the SDGs in the government and policy community – GIVES A CONFIDENTIAL EXAMPLE IN THE BRITISH CONTEXT – which does not demonstrate an understanding, by the public sector, of engaging companies core business in the SDGs. We still have a fixed way of looking at these things which is not about leveraging core business - it is about leveraging more CSR approaches and the charitable end of the spectrum; which is not going to create the scale change that's necessary to tackle some of these issues.

I

Thanks for that, very interesting.

Can I just use that connection to go on and talk about, er, government policy and legislative activity. Concerning the SDG areas, I think there is a strong accusation, both among academics and in practitioner circles, that government in policy and legislative terms are not really sufficiently stepping up to the bar, in setting standards, implementing regulations and so on. And that they need to be doing more to provide frameworks, on the demand side pull, so that business can be encouraged to innovate in the right areas. I wonder what your view might be on that?

R

Totally agree, totally agree. I mean with another hat I wear, I advise the OECD, em, Development Committee...

Which is secretary of state, ministers, ambassadors, to the OECD on development issues. I represent the whole of the private sector, not just NAME OF RESPONDENT'S COMPANY, on that. I am the only private sector person at that table. Now, to give you a sense of how governments are engaging or not engaging the private sector em, about 12 months ago I spoke at a conference in Paris at the OECD. The conference was entitled – how do we get the private sector engaged in the SDGs...Now, my opening comment from the stage was - just out of interest, if you directly work for a private sector actor please put your hand up. This was a room of 400 people, less than 10 responded!

This is a conversation I have been having with the chair of the OECD development committee (indicates this is very constructive), and she and I are very much of the same mind on this; government and the private sector are not engaging the private sector well on this. The language that people use, often it is confusing – and it is not understood by the other sector, it could equally as well be civil society as well as private sector... (Respondent 9)

In the context of research question 3 on barriers, it is interesting that these views on deficits at the business / policy sector interface are resonant with the discussion in the Transforming Partnerships for the SDGs report (UN Global Compact-Accenture Strategy CEO study, 2018) raised in the literature review. This report refers to cross sector efforts on the part of various organs of the UN, and of the business CEOs surveyed. The report finds that a large majority of the CEOs surveyed perceived the need for business involvement in the achievement of the SDGs in which they 'saw cross sector efforts as critical in enabling business to help achieve the SDGs' (2018:11). However, the large majority of UN Agency Heads surveyed, while concurring with this view, felt that their organisation was not doing enough in the way of securing private sector engagement. It is interesting that, concerning this, the report points to problems at the UN / business interface. Part of this is referred to as a need on the part of the Agencies to overcome a distrust of the profit motive in business and a need to understand how to better work with it. Relevant to research question 1, this to secure the end of alignment of the large resources in the corporate sector to the aims of the SDGs, set in a context of co-operative working (Van Santen and Van Tudler, 2018). Given the extant level

of justified criticism of business performance in the context and in order to secure the trust of the policy community, it seems axiomatic that success here is also dependent on parallel efforts on the part of business to provide authentic (for example Browne et al., 2015) connectivity following defined business purpose (particularly Grayson et al., 2018; Mayer 2018). This is taken up further below.

### ***Gaining commitment and co-operation***

Concerning SD in practical terms in the context of business activity, the need to deal with the complexity of the issues is raised from various perspectives in the literature review (for example Abbott and Snidal, 2013; Dicken, 2015; Rasche, 2010; Reinecke et al., 2019; Scherer et al., 2013; Schwartz and Tilling, 2009; Whiteman et al., 2013). This is a challenge for the business sector and the policy community and, concerning research question 3 on barriers, for the construction of effective interfaces between the business sector and the policy community. It is concerned with the orchestration of an effective approach, which engenders commitment and co-operation to achieve the needed change at scale (Van Zanten and Van Tudler, 2018; UN Global Compact-Accenture Strategy CEO study, 2018). It is indicated by the conceptualisation of the SDGs as a meta-responsibility (Scherer, 2018) and is captured as Political CSR (Scherer and Palazzo, 2010).

### ***Resourcing constraints***

Highly connected to this and to the views of Respondent 9 above, Respondent 10 considered the problem of communicating the learning from the academic research and from knowledge intensity in other parts of the policy community, for utilisation by business in practical application. He emphasised the complexity of many of the of SD issues in this respect, offering that:

There is a need for some sort of an interface and a process there that does that translation. Which says to industry, right you are interested in the following....in the scientific and research and policy community there is all this relevant stuff which could align with your needs over this time frame – here’s how it makes sense. Of course, the big difficulty is who’s going to fund that. (Respondent 10)

Further in this conversation, and concerning research question 3 on barriers, the apparent deficit in resourcing in this context emerged in relation to the way that the various functions in organisations such as the UN, the OECD and also charitable organisations, such as think



tanks, are funded. This in effect distracting from their potential ability to provide light footed and flexible activity outside the boundaries of their specifically funded output measures. This detracting from the ability of these organisations to be nodes for change, in this sense. Instead, the organisations are rather dependent on achieving those specific output measures to achieve the funding on which their organisations survival depends. Respondent 10 provided the following view on this:

There is definitely that, and look I have even experienced that here NAME OF RESPONDENT'S THINKTANK. We are a charity, we have, em, charitable objects to deliver against – and there are absolutely times where I have ended up immensely frustrated having to do the dull but worldly thing that fulfils delivery of the charitable objects versus doing the very important and necessary thing about communicating, sharing and advocating this kind of translation stuff. This kind of wanting to incentivise and encourage. There's a practical issue for so many organisations that are around. Let's call them industry stakeholders for want of a better word. Every organisation has got it's own angle and reason for being and has to justify its own position to its stakeholders, its trustees its shareholders... (Respondent 10)

It is interesting that this view, relevant to resourcing constraints, is very much in line with the findings on barriers to cross sector working between the UN Agencies and business highlighted in the Transforming Partnerships for the SDGs report (UN Global Compact-Accenture Strategy CEO study, 2018). The report refers to barriers in the agencies arising from a lack of organizational risk appetite, resource limitations in the circumstances of constrained finance and lack of skills to build and maintain effective partnerships. The views of Respondent 9 and Respondent 10 are underpinned by the UN report. It appears that there is a need for new ways of thinking and working if the indicated transformational change is to be achieved (George et al., 2016). This is captured also in the practitioner context by the Earth Security Report 2017 (Earth Security Group, 2017) raised in the literature review. This report refers to aligning company strategy with the SDGs. Referring to the need to develop a systemic approach and achieve change at scale it finds that:

Governments face the major task of advancing the policies to transform industry growth pathways, without losing the trust of their citizens. Progressive companies must invest time and resources to help governments to understand the policy

incentives and the persisting barriers to scale sustainable and inclusive investment models. Creating such an enabling environment requires a more strategic and informed dialogue between companies and policy makers, as well as a clearer mutual understanding of perspectives and opportunities. (2017: 5)

In a further conversation concerning perceived barriers and problems to the creation of constructive dialogue and the lack of trust and understanding at the interface of policy community and business, the following passage refers to the views of Respondent 12. This in the setting of the need for MNCs to follow a strategically lead approach to SD management, in order drive it into supply chains in main business process, with the purpose of achieving change at scale.

But, I guess it's like any of these things where there is a change agenda. Erm, when you think about the SDGs coming in in 2015; I mean we're only in 2018 going into 2019. Three years is not necessarily a long time to expect lots of these things to change...Erm, so I think you have to manage that. There are many political issues – straight politics, but also within some of these organisations...Erm, and they're not the most flexible or easily steered types of things *both laugh in appreciation of the point*. They have their own ways of working and their own agendas, and things like that. So, I think what you will then see is that organisations will work with those who share the same ambitions, and their views...So, it may be that in some of these areas it's about creating new institutions and partnerships and organisations, rather than thinking that the current ones are actually best placed to bring about the changes... So, again you will see a lot of those sorts of things where initiatives have been set up, em, that are different, that bring multiple groups together – rather than relying on, say, the World Trade Organisation or the OECD etc., to do things... So, I think if you really want to be driving change, you know, work with those that share your ambitions, and if that means setting up partnerships and institutions to do it, then so be it.

I

That's rather interesting, it corresponds with some academic views. But it is not easy is it? *Both laugh in agreement*.

R

Sometimes it can be easier working outside of the existing institutions, because of the baggage and, you know, the things that come with it. (Respondent 12)

It seems that these views of the respondents are important. Regarding research question 3 on barriers, they indicate that there is a need for a more active instigation of progress in this dimension. This follows the assertion of the imperative of decentralised deliberation by Scherer and Palazzo (2010) in their governance theme of Political CSR. It also concerns the place of MNCs in the achieving the change at scale needed for realization of the SDGs (for example Van Zanten and Van Tudler, 2018).

### *Need for new dialogue and new ways of working*

Relevant to these points on bridge building between the business sector and the policy community for the purposes of realization of the SDGs, and further relevant to research question 3 on barriers, the extent of the effort indicated in building an effective approach through the use of dialogue predicated on inclusive discourse, emerged. This is illustrated in Scherer and Palazzo's (2010) rooting of legitimacy in moral legitimacy in their conceptualisation of Political CSR. This being resonant with the views of Noland and Phillips (2010) in their efforts to illuminate a positive framework for business society relations. Extending meaning here the following passage –referring to the SDG context - was provided in the discussion with Respondent 10:

R

Erm, so putting them individually at the centre of the dialogue – going out and listening to them, not just listening to the questions I have. Listening to them full stop. Going and having a conversation and placing that individual and the business they are representing metaphysically at the centre of something to start with. And then starting to knit together where are the areas of potential, sort of, common interest, where are the areas of challenge and difficulty – how many of these can be bridges and brought together. So, it is classic coalition in the art of the possible, we are starting with an ambition that says we are going to figure out the art of the possible in pursuit of doing something better and more ambitious than we are currently doing...Em, the ultimate goal is about 12.3 (SDG target) and about delivering 50% reduction in food waste by 2030. So, the lofty ambition is there. But it is all driven by dialogue, as you say, but it's intelligent dialogue – that is two way –

and the direction starts from the other side – not from the NAME OF RESPONDENT’S ORGANISATION side. And it starts from an open and enquiring mind, and an open and enquiring attitude, drawing people together and saying, hey guys what do you think...Not this is your starting point, this is what we need to do.

I

Yes, so this approach is transferable to the business and policy community interface, at the OECD or UN business interface level, or whatever. There would be some of this needed there?

R

There is. It’s an approach that is very different to the approach that we have used in NAME OF RESPONDENT’S ORGANISATION historically. It’s a very different and time-consuming approach but powerful once you have managed to harness it and get people into that common interest base of their own volition, rather than kind of enforcing an approach. (Respondent 10)

It is interesting that the response of this respondent, from the perspective of his position in a food sector think-tank, stresses the actual extent of the effort that is required in the instigation and carrying through of dialogue predicated on inclusive discourse. This for the purposes of making authentic progress in sense making for the application of the SDGs. It is apparent that this view on the effort and type of approach needed is highly resonant with the similar assertions of Sharpe et al. (2016), discussed in Chapter 4 the synthesis chapter. Triangulating from an academic position in the policy community, these authors - amongst other matters - stress the importance of the application of knowledge from techne (know-how) and knowledge from phronesis (practice), in the application of inclusive processes to generate the particular form of discourse. They provide sense of the rigor needed in this endeavour.

Pertinent to research question 3 on barriers, it seems that the need for new ways of working, in a more actively driven approach is to the fore. As indicated, this is underpinned by the discussion in emergent practitioner literature (for example, Earth Security Group, 2017: SDG Compass, 2017: UN Global Compact-Accenture Strategy CEO study, 2018).

### 5.2.2 Category, positioning government regulation

#### *Hard law*

Considerations in this category are oriented by theorising within Political CSR. This is concerning Scherer and Palazzo's (2010) findings in relation to the progression from hard law to soft law, in the circumstances of advanced globalisation. This being situated as a theme in their theorising on Political CSR. It is also set in the complexity of the issues (Abbott and Snidal, 2013; Rasche, 2010) and on an assertion of the continuing need for elements of hard law (Balch, 2015; PricewaterhouseCoopers, 2015; Rasche, 2010).

On the perceived need for some continuing of elements of hard law it is informative to consider the perspectives of, Respondent 2, the director of an SME niche architectural design practice. This practice is situated in a UK regional market, but it is considered as being progressive, and is notable for having won various national awards for environmental and social sustainability in its design activity. Regarding research question 3 on barriers, Respondent 2 considered the restrictions in the business operating environment of his sector. This concerning the release or constraint of propensity for sustainable design, relevant to human welfare. He pointed to the importance of the provision of positive framework conditions, in way of legislation and policy set by government and in way of the assertion of appropriate public sector commissioning requirements for contracts. He providing the following view:

Mmm, it is improving frustratingly slowly. An example is the review of building regulations every couple of years and thermal standards, for example do get increased. But I think there is a lobby, possibly the house builders lobby that doesn't want too much change too quickly, so that doesn't happen. There are all sorts of initiatives that come out from the government, but I think everybody would agree it can't be just left to lobbies such as the housebuilders, it has got to be government lead. The standards have got to reflect the environmental situation we find ourselves in, and keep up to speed with the legislation in the rest of Europe. We seem to be lagging behind, as usual, in the general standards... (Respondent 2)

This respondent also stated, 'I think perhaps it's not the right thing to say in this day and age, but more legislation would help the situation' (Respondent 2). Resonant with this and from the perspective of business purpose and innovation, Elkington and Zeitz (2014), referred to in the literature review, argue the need for government regulation thus:

Good rules help business, governments, and NGOs tap into the power of innovation. Rules are essential to a sound economy, and they make possible for everyone to have a fair crack of the whip... (2014,111)

Further regarding research question 3 on barriers, at the scale of the corporate sector these views, on enabling/enhancing of space by governments for business to legitimately contribute in, are also introduced in the literature review. For example, from the perspective of enabling of the SDGs, international professional services company PricewaterhouseCoopers urge alignment of government and corporate effort to release the resources available in the corporate sector concerning the implementation of the SDGs (PricewaterhouseCoopers,2015). This is in the context of guiding and legitimatising (Van Zanten and Van Tudler, 2018) appropriate activity.

Relevant to this, and speaking from the perspective of a corporate sector actor, Respondent 4 offered the following view:

R

...Considering legislation, we talked about business recognising the problems of society. But when government also recognises these it does not pass legislation to force change...I think if you leave business the chance to sign up or not, then I think improvement will take a lot longer, – the ‘magnificent few’ situation we discussed. This leaves a rump of business failing to react. So, I think that more legislation would be helpful in driving change. Business might not like it but it’s almost as if, if you are not told to do it, business won’t do it...I think we have seen an example of this in the last few days regarding where the government has come out to talk about the plastics issue. But they have not set targets to get things done in the needed timescale.

I

So, a stronger lead from government is needed.

R

Yes (Respondent 4)

Concurring with these points on the need for positive framing in legislative and policy terms, and also extending the discussion into negative lobbying on the part of business, Respondent 3 offered the following:

... Concerning Westminster (UK Government), I think the Climate Change Act was a really positive thing, er, at least on paper. The Government has created a framework in which it could be prosecuted if it failed to meet its targets. What transpires, however remains to be seen, however they have created a framework. Scotland has gone further in terms of targets they have set. These are some positive things. But on the other hand, there are negatives. For instance, the decision of the Conservative Government to scrap the Sustainable Development Commission was a disaster. I think this decision was caused by big business influence – which was not driven by the greater good. De-regulation of public protection in the UK is another markedly negative dynamic, ongoing as we speak. In the face of things like the Grenfell disaster, this staggers me. I think this is all about removing the checks and balances from business, removing frameworks around compliance... (Respondent 3)

### ***Link to enabling legislation***

Relevant to research question 3 on barriers, it is interesting that these views on negative business behaviour, in terms of lobbying against progressive regulation, triangulate strongly with theoretical perspectives. For example, referring to the considerations in Chapter 4, the synthesis chapter, the views of Mayer (2018) are relevant. Here this author writes in the context of enabling legislation in the corporate law setting, and elucidates his linking of this to the separate domain of prescriptive regulation in the dimensions of SD that are relevant to the discussion herewith. Concerning the intersection here, Mayer (2018) acknowledges the damage of negative lobbying, and in this brings out tensions between business and the policy community (see also Big Innovation Centre 2016). However, he finds that his argument of the need for enabling legislation which legitimizes business purpose beyond financial short termism - *discussed also further below under Dimension two, the emerging notions of business purpose* - could also bring about improvement in business behaviours in the area of prescriptive regulation. Concerning this he points out that this would bring a greater propensity for business to act in co-operation with the policy community. This in the formation and application of prescriptive regulation. The latter regulation being designed to restrict and control damaging activity by business in the realm of environmental and social sustainability. As discussed in the Chapter 4 this presents a significant potential, since it could bring to bear the major resources available in the corporate sector to positive end, in the sense here.

### ***Procurement activity***

Respondent 3 also expressed further concerns on government deficits in the provision of appropriate framing activity. Concerning research question 3 on barriers, this in the failure of UK government to utilize the power it possesses in its procurement activity to the end of positive action, to stimulate SD in the supply chains. In this he found that ‘government activity in its own supply chains is a disaster. It could do so much more there in its purchasing requirements to encourage sustainable development behaviours in its suppliers. The approach is not sufficient, there is a tick box mentality’ (Respondent 3). The failure in UK public procurement to drive sustainable behaviours into supply chains by setting appropriate contract requirements for the suppliers is also particularly captured by Respondent 8, whose company is a supplier and manufacturer of IT equipment to UK public sector clients.

My view from my experience of our market is that, whilst they ask a lot of questions, they don’t get the importance of the matters in the decision making. I think we definitely have people writing tenders, supply specifications putting things in there, for the sake of being seen as having them in there, but not really pursuing it much further than asking about it...I think that is because they are reacting to pressures and want to be seen to be doing something. But I don’t think they have the knowledge and experience to actually regulate it, or possibly the resources. Also, I think that in some cases there is the realisation that they are not going to get, certainly instant change in the supply chains that they are using. And, unfortunately cost is still a primary factor. (Respondent 8)

### ***Corporate governance legislation***

Also in the context of government deficits, and concerning the recent attempted hostile takeover of Unilever by Kraft Heinz, with the potential detriment to the established and recognized (Grayson et al. 2018: Van Zanten and Van Tudler, 2018) sustainable development efforts of Unilever through it’s Sustainable Living Plan (Unilever 2018), Respondent 13 asserted a failure of UK government. Pertinent to research question 3 on barriers, this to fundamentally strengthen corporate governance legislation ‘...I think we should be talking



about takeover rules and strengthening takeover rules. I think that's part of it, but there is also fundamentally changing corporate governance legislation.' As part of this Respondent 13 also asserted the need for much greater, wider than shareholder, representation on company boards. It can be seen from the discussion in Chapter 4 the synthesis chapter, that this deficit view is particularly supported by Mayer (2018) and the Big Innovation Centre (2016), and indicated changes to corporate law and to governance of corporations are discussed further below in *Dimension 2, the emerging notions of business purpose*.

### ***Negative behaviour***

Further concerning the point on negative business lobbying raised above, relevant to research question 3 on barriers, and again being aligned with the views of Mayer(2018); this aspect of business behaviour was also raised by Respondent 13. This in the context of him being an NGO representative working with the UK civil service on the further development of UK Corporate Governance legislation, in translation of EC law:

... We have allowed our market to become too much of a free market, and this lack of regulation and de-regulation is not conducive to sustainable development. Em, you hear it quite often from companies, them saying that all we want is a level playing field and we welcome regulation. They're saying if the rules apply to everyone then I's something we would happily take. And it was a caveat to the discussion we were having earlier saying earlier, you would you take a cut in your profit margin; well if everyone had to take a cut in their profit margin then we would be happy to do it. How true that is...I'm very sceptical. Em, my main reference to legislative change which I've been involved in at NAME OF RESPONDENT'S ORGANISATION is corporate governance legislation...And we have faced fierce resistance from the business lobby. Em, not from the companies themselves necessarily, but from primarily the CBI, who have been charged with representing commercial interests...Em, so they are very resistant to changes to legislation around stakeholder representation, or CEO pay, or incentives and everything like that – which is the area I have been working in. And so, while you get companies who are very happy to be vocal, and saying we want a level playing field – we'd happily take a profit cut if others are doing that – what seems to be going on behind closed doors, in the

lobbying which happens through these special interest groups is kind of at odds with what is being said publicly by companies. (Respondent 13)

It seems interesting that this respondent felt that contrary to the declared public position of some individual corporate businesses, behind the scenes ‘there is influence happening at ministerial level from business groups’ (Respondent 13). It is apparent that there is much complexity around this matter. Respondent 10 also referred to it in relation to businesses lobbying against progressive resource intensity reduction legislation, and other matters:

Hmm, the circular economy package coming forward from the EU is certainly an ambitious piece of legislation – erm, but it continues to be attacked and watered down by a whole range of industry vested interests and stakeholders, though. On the one hand, yes, there are industry leaders who will talk about the fact that we need a better regulatory framework; but they’re not saying that we really want a better regulatory framework that suits me and my business. Therefore, if you are a business that’s in high sugar or high fat foods you want a regulatory framework that doesn’t disadvantage you. (Respondent 10)

This respondent also pointed to intensive lobbying against work being done by the EU Commission on Sustainable Palm Oil in the face of severe deforestation, habitat destruction, harm to indigenous communities and infringement of labour rights (Slavin, 2017, Slavin 2018). This being carried out by exporting countries such as Indonesia and Malaysia and ‘the best will of even the EU seems to have crumbled in the face of some pretty intense lobbying, not just from industry, from whole nations’ (Respondent 10). These deficits can be seen to be central to the considerations in the theorising on Political CSR. This in the conception of *public will formation* in Scherer and Palazzo’s (2010) deliberative model of democracy and pinpoint a need for positive stance in this space.

Being aligned with for example Mayer (2018) and Big Innovation Centre (2016), Respondent 10 went on to emphasise his view of the importance of engendering long term thinking in business because, in contrast to relying on governments to change the regulatory framework, there is ‘more that is within the scope of and power of the business community, most broadly because it’s got innovation’ (Respondent 10). However, while acknowledging the power (Van Zanten and Van Tudler, 2018) of the major corporate sector to proceed change at scale

and congruent with Rasche (2010) in academic context and Balch (2015) in practitioner context, he still acknowledged the ‘importance of legislation because regulation kind of dictates how businesses are incentivised.’ He referred to carbon pricing as an example of this as follows, ‘despite fine words, as long as there isn’t a decent shadow price for carbon, and er carbon trading then it remains a minority sport’ (Respondent 10).

### *Need for a multilateral approach*

Concerning research question 1, the view that appropriate engagement of the innovative propensity of business and business resources is needed for the implementation of SD was strongly expressed. A conception of the nuanced complexity and the sort of multilateral co-operation indicated to achieve some sort of success was provided by Respondent 5:

...Politicians are nervous, they don’t want to do things. They don’t want to confront voters. They don’t want to shift the overconsuming classes, of which I am one, into consuming less and living softer. Erm, it’s not an easy message. The role of business was very important in shifting this. So, as I have written myself – enlightened self-interest of big corporate capital, big companies particularly acting with progressive NGOs, and progressive forces within mainstream politics – having the ducks lined up...This worked in concert and the result was good. Compared to previous failure and nothing, this was really important...Will it be enough? I am pretty sure not...Erm, do I think that it can be left to corporate capitalism? No emphatically not. Because the main motive is a combination of self-interest and some altruism. You know these captains of industry will always tell you – I’ve got kids to, I want my grandchildren to survive etc., and I believe that. But their business is business. (Respondent 5)

Thus, negatives and restrictions concerning the capacity and ability of governments in the context of providing framework conditions for sustainable behaviours in business are highlighted at different scales and in different contexts, by these respondents. It seems the theorising of Abbott and Snidal (2013) on the enabling position possessed by IGOs through the strategies of regulatory collaboration and orchestration can be brought to bear here. This in that it illustrates complexity and is in pursuit of an innovative approach, which does not claim or purport to be exclusive. Rather it points to the need for new initiatives. Written prior

to the emergence of the SDGs, this view on the need for new multilateral (Scherer and Palazzo, 2010) business and society constructs is very pertinent to present attempts at sense making for the purposes of change at scale that is transformational for the purposes implementing the SDGs.

This discussion appears to set a context for the importance of the dynamics in the next section, which addresses business purpose.

### **5.3 Dimension 2 – emerging notions of business purpose**

Following the research aim of exploring change dynamics, this dimension addresses the potential for take up of the business purpose notions.

The results and discussion in this dimension are carried out below in the four categories identified and are illustrated using supporting extracts from the data.

#### **5.3.1 Category – general articulation of business purpose**

Regarding research question 3 on thought leadership, the emergence of business purpose is identified in the literature review chapter and is analysed further in Chapter 4 the synthesis chapter. It is fundamentally concerned with centralizing management for sustainable development in corporate governance, business leadership, in core business strategy and in business operations (for example Big Innovation Centre, 2016: Browne et al., 2015: Grayson et al., 2018: Mayer, 2018: McKinsey, 2014: Polman, 2014: Unilever, 2018). Utilising Scherer and Palazzos' (2010) conception of Political CSR, the synthesis chapter identifies the intersection of business purpose with Political CSR. This is in which the business contribution is characterized in the frame of a meta-responsibility (Scherer, 2018) and in which business is one significant actor among the other stakeholders.

#### ***Propensity for change***

Concerning propensity for uptake of the approach in business; discussions were undertaken with respondents involved with the corporate sector, who held views on the emergence of the notion of business purpose. Regarding research question 3 on barriers, this revealed a recognition that the ideas were visible but a general perception that this was not developed across the rump of the corporate sector. Rather, it tended to be the province of a small number of progressive organisations.

Concerning this, in a conversation on whether the notion of business purpose for SD is becoming more evident Respondent 9 referred to the investment community. In this, concerning the recent Blackrock activity, referred to in the literature review (Fink, 2018: Fink, 2019), the respondent provided the following passage:

... we've got Larry Fink of Blackrock saying do carbon, do climate change- what he is actually saying is, in specific terms, make sure you deliver on the requirements of Mark Carney's (Governor of the Bank of England) Climate Risk Reporting Taskforce...What does that mean? Does that mean he wants business to do more and really push the boundaries in terms of tackling climate change – which on one end of the spectrum could mean spending millions of pounds on alternative energy. Or at the other end of the spectrum he is saying – I need to know what your risks are in terms of climate change. Will you have enough water to grow your crops or put drinks in your bottles in the next five years? Because if you haven't, no one is going to invest in you...Is it risk mitigation from his point of view, or is it a drive to support climate change remedy and prevent climate change taking over. Maybe one and the same thing, it could be enlightened self-interest or it could be parochial mismanagement. I know some investors who want to find more businesses doing this type of work because they want to create products that they can sell to the emerging ethical investment market, which comprises of companies that are doing more of these things. So, is that for them a way of selling more shares in their portfolios, or is a way of tackling climate change? Maybe it doesn't matter if the end justifies the means? (Respondent 9)

This view is resonant with the discussion in the literature review chapter corresponding to a wariness amongst informed commentators, and indication of a need for more evidence of actual improved performance on the ground in company behaviour (BRT, 2019; Elliot, 2019: Henderson and Temple-West, 2019: Pratley, 2019). However, and also in the context of the Blackrock discussion; set in a positive frame, while indicating wider system limitations - the following passage provides the view of Respondent 10:

I think concerning Larry Fink, Blackrock have done a huge amount to move the dialogue on at the top end of the hierarchy...You know the businesses that are listening to and taking account of that are somewhat in the business equivalent of self-

articulation. They are in a position where that can give it bandwidth and give it time and space and it is expected of them, from their shareholders and stakeholders. Erm , it still doesn't stop the likes of Buffet and 3G having a go at Unilever, which they did. Had that been successful that would have lead to the dismantling of, you know, one of the brightest beacons of sustainability that we have globally...There is no way that the 3G business model would, erm, allow or condone Unilever being able to continue to operate as it has done with its Sustainable Living Plan. Dominic Barton of McKinsey has a long-standing relationship with Paul Polman; they often sort of stand together, and work together. McKinsey have done some really good work in this space – their podcast doesn't get nearly enough air time. Dominic Barton pops up in HBR (Harvard Business Review), maybe once a year and there may be one other sustainability related piece, usually with a very commercial edge to it. Great air time, they don't give it enough though.

There is a responsibility on those that have got the positions of influence, to do more. Hence it was great to see Larry Fink coming out and writing what he has written. He has started to use that influence. You know Musk is another example – and a couple of CEOs who sort of stood up to Trump. However, very few leaders actually take on their responsibility, given their position in society. They tend to subvert that to my responsibility is to my shareholders. (Respondent 10)

Concerning research question 3 on barriers, it can be seen that this view brings into focus the importance of the analysis carried out in the synthesis chapter pertinent to the difficulties presented by the prevalent shareholder primacy business models. Here critique by, for example, Big Innovation Centre (2016), Mayer (2018) and Reinecke et al. (2019) illustrates the issue.

In a related conversation on the value of progressive business leaders speaking out on the need for business purpose (particularly Browne et al., 2015; Elkington and Zeitz 2014; Grayson et al. 2018; Polman 2014); respondent 4 (having a perspective derived from long experience in the corporate sector) asserted that 'I think the business leaders do influence each other. And I think if one business leader puts his name to something – talking about business connectivity and sustainability issues or whatever – I think his peers will listen to that. It's quite a small group, in a way. This is my experience in the food sector' (Respondent 4). This view on the importance of voice from business leaders was also

emphasised by Respondent 9, asserting in relation to evidence from the activity of his own Chief Executive that, ‘if you are the leader of a FTSE top ten company – when you say something about gender, people listen.’

***Purpose; need for culture change in companies***

Concerning the research aim of exploring change dynamics, it seems that these views point to a situation of change potential which can be articulated in the context of business purpose. Respondent 12 is situated as a key senior sustainability practitioner in a large MNC which is globally acknowledged as a leader in sustainability. In a conversation pertinent to aligning company culture to form the relevant sought-after connectivity of the company activity with society driven by purpose (particularly for example Browne et al., 2015: Grayson et al., 2018: Mayer2018: Metcalf and Benn, 2010), the respondent provided the following:

Yep. Well I think you have to see it as integral. Erm, I think gone are the days when corporate social responsibility is the add on bit you are doing to manage risks. So, unless you get it as an integrated part of your business then, like anything, it’s difficult to either maintain, or things move. What I would say is the big change that we have had – we have been doing these sorts of things for many years, we had sustainable agriculture programmes, sustainable water, fisheries and things from the late 90s - but I would say it wasn’t until the NAME OF KEY COMPANY SUSTAINABILITY INITIATIVE that we essentially defined it. It didn’t define sustainability as an extra pillar you do on top of everything else. You know, it is actually how we want to do business. That is the system that we want to actually operate within, and then everything sort of falls under that...I think until you get it as part of your integral way of doing things, then you will always struggle. (Respondent 12)

Respondent 9, also from a large MNC with a prominent SD stance, reinforced these views. Further in this vein Respondent 9 referred to the transnational regulatory standard setting scheme, the UN Global Compact (UNGC). As discussed in the literature review, the UNGC is a principles-based voluntary regulation arrangement set up as a business membership scheme (Abbott and Snidal, 2013: Rasche, 2010: UN Global Compact, 2016: UN Global Compact, 2017). Pointing to a UNGC membership of 9,000 businesses, and drawing on his experience as a global actor, and of participating in relevant global fora, Respondent 9

commented that those companies really engaged in communicating the business purpose message as being focused ‘on engaging companies core business in the SDGs ...I don’t see that amongst many even in the global compact group...it’s typically the same – not 9000 companies – it’s the same 50, or even less than that’ (Respondent 9).

Regarding research question 3 on barriers, these views of the respondents indicate that there is some distance to go in inculcating the notion of purpose in many companies. Being situated in a company seen as positive in it’s approach, the complexity and effort involved in asserting a stance on purpose across the operations of a £multibillion international business was also discussed by Respondent 9. He referred to his experience of undertaking this and in light of short- term business pressures. The context here being to keep progress beyond the old-style CSR approach. The latter being one which is lodged in the economic and instrumental paradigm (Scherer and Palazzo, 2010) not fundamentally engaged with core business operations (Browne et al.,2015) and core business purpose and ‘core business leverage’ (Respondent 9). He pointed to the importance of strong leadership to maintain pressure for organisational culture change in this and that ‘ not everyone can have a Paul Polman...’ (Respondent 9). These views on the need for leadership to form culture change can be seen from the discussion in the synthesis chapter to be strongly underpinned in the literature, see for example Isaksson et al. (2010), Mayer (2018), Metcalf and Benn (2012). Also, re-enforcing of the ideas of multilateral solutions advocated by Scherer and Palazzo (2010), and of SD as a meta-responsibility Scherer (2018), this respondent pointed to the need for multisector input in a sense making frame, to inform and support leadership, referring as follows:

But that’s where, to go back to the other conversation – the short versus the medium to long-term discussion. It’s just as challenging inside the business. That’s where more carrots than sticks would be useful from a policy point of view, and an investor point of view, in my opinion. I think if we want to deliver on the SDGs we have to better line up different sectors and actors. While it has stepped forward a lot in the last 5 years...It’s still not in the place it needs to be at. (Respondent 9)

Further reflecting on the need to build more substantial progress and to deepen existing approaches, it is interesting to consider the views of Respondent 13, a supply chain sustainability specialist in a major international pressure group. Resonant with the findings



of Reinecke et al (2019) and in relation to business purpose, while acknowledging increased attention on the part of some large corporates in relation to ‘...living wages and labour rights and conditions, I think – the messages we are getting from our partners in country teams and our colleagues in country teams, is that, er, things aren’t getting better for people that supply big brands – these policy changes [on the part of the corporate entities] may be having an impact on first tier suppliers where there is more visibility, but when you get further down the chains, particularly with commodity sourcing, things are getting worse not better’

(Respondent 13). It can be seen that this bears direct connectivity to the theorising of Political CSR by Scherer and Palazzo (2010). This concerning the social connectedness through the theme of responsibility and of moral legitimacy through the legitimacy theme of their construction. Relevant also to the views on Schwartz and Tilling (2009) on context for stakeholders and of Metcalf and Benn (2012) and Isaksson et al. (2010) on the need for systemic change, Respondent 13 further offered that, ‘I am probably a growing voice in (name of respondent’s organisation) that is critical of policy changes in big business to have a really significant impact on the ground.’ This view brings into focus the discussion in the synthesis chapter concerning the work of Reinecke et al. (2019) which addresses failure of current CSR interventions to prevent downward pressures on human rights in supply chains. Recalling from the discussion in the synthesis chapter they capture this as being due to the failure of business models of the corporate entities to challenge the root cause of the problem. This being located in failure to address financial short-termism within the conceptualisation of these authors in the profit regime, while the corporate interventions carried out, which are largely situated in the production regime (Reinecke et al.,2019:7) are destined to be of limited/restricted effectiveness.

Respondent 13 considered the emerging response, in line with positive business purpose, of some MNCs in the face of what are seen as reactionary and destructive views in parts of the political class, and on the part some lobbyists in climate change denial, and on other issues. Again, illustrative of the approach advocated by Scherer and Palazzo (2010) to decentralised deliberation in their governance theme, and to deliberative democracy in the democracy theme of their theorising on Political CSR, the respondent provided the following in relation to this:

Yes, certainly. The joint empathy with companies, I think is a good opportunity for NGOs to do more. It’s much more powerful to have companies advocating your line

rather than going alone. Particularly in the Paris Agreement (Paris Climate Change Agreement), to have 60 large companies standing up and staking their commitment to it, I think has been really powerful. (Respondent 13).

However, pertinent to research question 3, while emphasising the value of this new dynamic, the respondent nuanced the point by referring to the cherry-picking activity of some MNCs of the SDGs (for example, Eccles and Karbassi, 2017; Verles and Vellacott, 2018) and, for example - concerning climate change. Regarding the latter, by way of example, brands not themselves going ‘beyond just efficiency changes to create shareholder value’ (Respondent 13). It is interesting that, in the context this discussion, the respondent referred to his agreement with Giridharadas (2019) in that ‘his main thesis is that they (the corporate elite) are creating the terms of sustainability and doing good, to control the narrative and maintain the status quo’ (Respondent 13). This while not more fundamentally addressing the problems of inequality (for example Alverado et al., 2019), climate change (for example, Partington, 2019) and appropriate reform of the present form of capitalism (for example, Big Innovation Centre, 2017; Milne and Grey, 2013). Nevertheless, acknowledging change to the positive in recent behaviour of some corporate businesses in the purpose context, this respondent referred to further positive change in that corporate entities were now actively seeking score card ranking by his NGO, in way of progressing sustainable behaviours in their supply chains. Once again resonant with the notions of decentralised deliberation, he attributed this to creating an endeavour mutually perceived in a positive frame, a ‘race to the top’ (Respondent 13). This was in that it was not ‘just bashing one company in particular’ (Respondent 13) rather it was carried out in dialogue with a number of stakeholders, including investors and consumers as well as at very senior level, and at technical level in the businesses. Further the initiative was substantial, using a number of measurements. However, indicating the complexity, effort level and diversity needed in such initiatives, he pointed to the fact that a similar intervention in a different sector had been less productive.

### ***Locking in purpose***

Hence, concerning research question 3 on barriers, this respondent commented on the need for the creation of further improvement dynamics, and to address, what he identified, as ‘purpose washing’ (Respondent 13). He identified the latter as a willingness on the part of some companies to claim purpose without substantially ‘locking’ (Respondent 13) it into the

reality of business strategy and business operations. Thus he advocated the need to lock declared purpose into the business. Aligning particularly with Big Innovation Centre (2016) and Mayer (2018), his view was that this could be through the creation of an appropriate business constitution, or by changing the business model by adopting a new legal form. He discussed the development of a pilot diagnostic tool, for promotion and verification of efforts of businesses in this direction. The approach being to achieve lock in of purpose for the long term; this utilising a different ownership model, with a redistribution of profit away from shareholders only and towards declared social mission and to ‘provide equal voice to their employees and other stakeholders on the board of directors’ (Respondent 13). His intention was to use the tool to promote and build the alternative sector, operating on progressive business models, locked in and fundamentally aimed at sustainable development. Pragmatically, he pointed out that, ‘I think it would be naïve if we thought we could shift a Unilever or Nestle or Sainsburys’ to fundamentally change business model.’ This being highly resonant with the discussion of business models by Reinecke et al. (2019). Instead, he envisaged an approach where these large players could be influenced to source on preferential terms from the alternative sector, thus bringing about change at scale, asserting:

...if we can get Sainsburys to have a social enterprise isle for instance, or promise to, you know, have a commitment to giving better rates to the likes of Divine or Café Direct (notable fair-trade enterprises) – it would have a massive impact. So, that’s the kind of strategy we are going after for the corporates, rather than trying to change the actual structure of corporates. (Respondent 13)

This respondent advocated a similar approach to the very large MNC commodity traders such as Cargill and CP Foods (very large and highly capitalized global trading companies) which are extremely powerful in global markets and consequentially influential in areas such as deforestation and climate change (Slavin 2017; Slavin 2018). This encouraging them to provide preferential rates to the alternative sector commodity producers that had proved their provenance in social mission through the declaration and verification of purpose.

Thus, some of the complexity embodied in the emergent notions of business purpose is highlighted. It can be seen that assertions of the need to change business models is particularly supported by the views expressed by the Big Innovation Centre (2016) and Mayer (2018) captured in the discussion in the synthesis chapter. Drawing from this, Mayer

(2018) and Scherer (2018) give sense of the current crisis for human welfare embodied in the Grand Challenges (George et al., 2016) for SD, and the need for immediacy in the business response to this. The response being indicated as a co-creation of business acting with the policy community. Here the need for the generation of trust and alignment between the business and the policy community is emphasised. This discussion, then, concerns change in business models orienting away from financial short-termism through declaration of purpose. This in which the latter could be enabled by reformed corporate law and corresponding – particular - governance arrangements in companies. Here, and being aligned with Grayson et al.'s (2018.5) prediction of a regenerative era, Mayer's (2018) assertion of an anticipated/sought after age of the trusted corporation seems important. Following the discussion in the synthesis chapter, this is set in terms of the corporation being a potentially transformative device, that can be harnessed to the ends of making a contribution to SD. This being in direct contrast to Metcalf and Benns' (2012) illustration of the existing predominant corporate form as being failed social technology.

In pursuit of the research aim, of seeking extant evidence of relevant change in the business and society relations, it is evident that the business purpose movement holds potential for change. The promotion of purpose through the creation of alternative business models is further addressed in the next section which considers the emergence of the Benefit Corporation.

### **5.3.2 Category – The Benefit Corporation (BC)**

As it also does with the above Category – *general articulation of business purpose*, the synthesis chapter identifies the intersection of the BC with Political CSR and it is placed in the Political CSR theory. Following the discussion in the literature review on the sticking plaster nature of much CSR activity (Reinecke et al., 2019) and its' failure to sufficiently secure the purpose of public benefit from corporate operations (Ciepley, 2019) the emergence, in the US of the Benefit Corporation (BC) form seems to represent a significant improvement dynamic. It is pertinent to question 3 on thought leadership As discussed in the literature review chapter, in explanation of the emergence of this dynamic, Hillier (2013) provides succinct linking to the legal status of corporations and how this can be utilised to create a particular legal form which enables the implementation of a new business model. This is one that legally provides for duties of directors to stakeholders broader than

shareholders alone. Further, as discussed in the literature review chapter, it is one in which, while still being a for profit company there is a positive requirement, made legally legitimate and binding, to provide benefits for stakeholders wider than shareholders. Concerning the BC form, and as further elucidated by Hillier (2013), the highly related but separate certification scheme - BCorp - is seen as significant in driving this progressive approach at global level. It is interesting to consider respondent views concerning these developments.

### ***Endorsement of the positive view***

Respondent 10, from his perspective of being engaged in a number of industry networks in his position in a think tank, strongly emphasised this recent development, as follows:

...And to be honest the single biggest direction of travel that gives me confidence is when I see businesses the size and scale of Danone (Danone,2019) setting out to become B Corporations, globally....It's simply about the level of transparency. You go onto the BCorps website and you will pull off 80 odd pages for Danone UK and their accreditation report. And you can compare that with a BRC global standard and report from that – which one says more a business, its presence, its integrity, its impact, er, and you look at the level of transparency they are willing to provide. You might say how many businesses are prepared for the B Corp level of transparency? How many business leaders actually go through the process of actually understanding all these different aspects and are prepared to stand up and defend them transparently to the public. So, Benefit Corporations are to me one of the great rays of hope, Neil... (Respondent 10)

The positive potential of the BC development was also addressed by respondent 11. This arose in a conversation on the emerging concept of business purpose. The discussion was concerned with the indicated need to get the engagement and alignment of MNC core business activity with, and in support of the SDGs. This in way of utilisation of their capital intensity and innovation intensity (for example Earth Security Group, 2017: Van Zanten and Van Tudler, 2018). In the context of this discussion Respondent 11 found that the BCorp development highly supportive of the emergent notions of business purpose, providing the following passages:

R

And there are some interesting organisations like B Corps: and there are a couple of UK companies that have just been registered, passed the test to become a BCorp.

I

I have noticed that Divine Chocolate have just become a BCorp.

R

Yeh. As are Café Direct. Innocent as well, who are run by Coca-Cola. It's interesting what you have to do to become a BCorp, talking about governance now: you have to get an independent to write the social impact statement. You get a score for your governance and social impact to be registered as a BCorp, and then you have to do that annually. So, the expectation is to increase your score as you go annually. So, I think that's an interesting, obviously, US development...But now it seems to be going global. Er, and so you have got these good pockets of practice that are taking place around the SDGs, around social impact, environmental impact. Er, but there still is a lot of work to be done.

And:

I

...I notice it seems that Unilever are keen to have Ben and Jerry's in the fold because Ben and Jerry's are a BCorp and, er, there appears to be a case that they will be useful to back inform the culture in Unilever for culture development. I think there may also be parallel examples in other corporates on the same lines.

R

Yes, that was a clever move wasn't it. L'Oréal tried that with Body shop but I'm not sure they had the same motivation. But they have recently sold it to a company called Natura in Brazil, who are very much in the space of ethical business...Em, so that is a Global South example of a company doing good. So, I think it can work that way. There are other recent examples, Amazon buying Whole Foods but I don't think it was that motivation. I think it was just to make money.

I

Patagonia, I believe?

R

Well Yeh, they're a great example of a B Corp. Er, you know, best practice in terms of sourcing. (Respondent 11)

It is significant that Respondent 11, as a research professor notable for international research in food and sustainable development, also provided further comment on the emerging progression of the BCorp initiative to beyond North America and Europe. He noted this in relation to the high awareness of BCorp he had encountered in a group of companies in the Far East, forming a research sample, in a workshop that he had recently convened.

Respondent 13, from the perspective as a sustainability supply chain specialist in an NGO, was supportive of the BCorp movement, referring to the ‘Lions of BCorp’ and giving the examples of Danone and Patagonia offering that ‘all big companies should be aiming towards BCorp.’ However, he asserted that there are a wide range of companies in BCorp and that not all are to the same standard, or score as highly in the assessments, as the leaders he mentioned. This assertion corresponds to the views, discussed above, of this respondent on the need to more substantially lock purpose into business. Interestingly the views of this respondent may seemingly provide access to some sort of developmental frame or continuum in the context. In this respect and situated in what some in mainstream business may see as a challenging perspective, this respondent offered the following:

And so, I think that may be where we are going – is BCorp going to be the fair-trade certification equivalent and big corporations can get that B Corp and be seen as this sort of social enterprise, because they get the BCorp mark – or is it going to become tougher and try to raise the standards? Some people who work in BCorp have said that to me, that’s their aspiration – to become more stretching – and truly not having profit as their main motivation. (Respondent 13)

### ***Situating developing understanding***

Pertinent to research question 3 on thought leadership, the views of these respondents in their vouching of support for the BC innovation are significant. As discussed in the synthesis chapter, it seems important that the view of Mayer (2018) in his detailed exposition of the meaning of business purpose is supportive of the initiative (see also Big Innovation Centre, 2016; Big Innovation Centre, 2017). Further in this vein, and illustrative of a strand emerging from this research concerning the need for multilateral co-operative approaches within and across sectors, the report, Business Models and Labour Standards: Making the Connection (Reinecke et al., 2019) also recognises the importance of the BC contribution. Moreover, the nature of the co-operation underpinning the report itself is interesting in the

context of multilateral action. Here the report was instigated, oriented and supported by the ETI (Ethical Trading Initiative, 2018). The ETI, discussed in the literature review chapter, acts as a node for multilateral co-operation, concerned with human rights in supply chains. In the circumstances of instigating change for SD this report was based on a particular co-operation between academics and consultants drawing on the business and policy community players participating in the networks of the ETI. The importance of the public intellectual (Kitchener, 2019: Watermeyer, R. and Olssen, 2019) role of academics in making progress towards SD is highlighted in the construction of this report, through the academic contribution. Here, in the context concerned, and relevant to research question 3 on thought leadership, the approach illustrated in this report emphasises the need for multilateral input in solving the problems of SD. This is in which the effort is indicated as being a meta-responsibility (Scherer, 2018) and which is needed for change at scale (Van Zanten and Van Tudler, 2018) and which is situated as Political CSR. The indicated need for input of the academic in the role of public intellectual, in the social science context, is taken up further in dimension 3 of the findings in this chapter.

### **5.3.3 Category –business and the SDGs**

The emergent SDGs are situated in a process of sense making in the business and society frame, including in consideration of business implementation, change at scale and innovation (Biermann et al., 2017: SDG Compass, 2017: UN Global Compact, 2016: UN Global Compact 2017, Van Zanten and Van Tudler, 2018). As indicated in the synthesis chapter, one contribution of this thesis is to place considerations in this as being in the realm of Political CSR in Scherer and Palazzos' (2010) construction. The implementation of the SDGs is identified as being integral with business purpose. As indicated above in the *Category – general articulation of business purpose*, this is characterized by Scherer (2018) as a meta-responsibility in which business is one actor among other stakeholders.

#### ***Propensity for change***

However, as indicated in the literature, sufficient progress is not assured. To the end of understanding in this, and concerning research question 2, respondents were asked for their general perception of the propensity of the SDGs to bring improvement in business and society relations, in the context (Earth Security Group, 2017: UN Global Compact-Accenture Strategy Study, 2018: Van Zanten and Van Tudler, 2018). There was a positive view of the value of the SDGs as a framework but, relevant to research question 3 on barriers, uncertainty



on wide take up on the part of the wider rump of business, other than those already engaged in these agendas.

From the perspective of the ICT sector, and referring to the very large global brands, such as Apple, Microsoft and Intel (UNEP, 2015), Respondent 8 asserted:

...Er, clearly the SDGs provide focused topics – these guys can relate what they are doing. I think that the likes of Intel, they have probably been looking at these issues anyway – they are not new to them. But it is good that there is this – bit like a standard really, of things that need to be tackled, they need commitment. So that for the likes of Intel, this probably fits with what they have been looking at for some time – fits for their strategy and sustainability reporting. I think it is probably good for them that they can link it to something that is, hopefully, universally recognised.

(Respondent 8)

From her perspective of significant experience as a sustainability reporting manager in a large retail organisation, Respondent 6 provided interesting reflection. In this she emphasised the importance of the SDGs in providing a frame for the setting of robust target setting in the business. She emphasised also top-level commitment in her organisation for the targets finding that ‘setting long term targets at very top level – they really help us make step changes’ (Respondent 7). While her company is recognised as a leader in matters of SD, she felt that ‘other businesses were being pushed to align as well’ (Respondent 7). However, she pointed out that business engagement with the SDGs was still at early days.

By way of further example, Respondent 9 offered the following in relation to SDGs finding that, ‘I do think they provide an easier way for business to focus on the topics that are most material for society at large, and in principle therefore better align the business materiality stuff with the outside world.’ This being congruent with the discussion on materiality (AccountAbility, 2013; AccountAbility et al.2006; GRI, 2013; Mason and Simmons, 2014 Sullivan, 2011). Respondent 9 addressed the SDGs from the perspective of his organisation, this being a large MNC already active in considering a range of human welfare and environmental matters pertinent to the SDGs. However, he felt that while the SDGs would provide a similar positive dynamic for similar organisations, he pointed out that there is a lack of consumer awareness of them. Pertinent to research question 1, he further asserted that for businesses not already engaged in issues pertinent to the SDGs ‘then the SDGs don’t bring them to the party’ (Respondent 9). This point seems to underline the need for the sort of

multilateral enabling action that is discussed in the category above on general articulation of business purpose. In a similar conversation Respondent 12 - from the perspective of his company, which is a large MNC that is a leading proponent of business purpose and acknowledged as a leader in the sustainability field he reflected on the propensity of the SDGs to engage the rump of business. Here he confirmed the centrality of commitment of his company to the SDGs, which he explicitly aligned with business opportunity providing, 'it's about providing the right opportunities, or environment for business growth' (Respondent 12). However, he felt that this reasoning, partly due to the capacity issue, is not yet widely perceived in business.

Respondent 4 felt that the SDGs provided:

...a common framework for everyone to work to. They provide a language that can be developed, that we can all use. And I think they help a broad awareness to business. The learning process for business and the insights occur when we get down to consider what is really involved in the detail of relevant goals. (Respondent 4)

Respondent 10 also acknowledged the value of the SDGs. However, he was concerned with this being usurped by businesses, through cherry-picking to highlight their positive activity while paying insufficient attention on real context (Schwartz and Tilling, 2009) and - in common with the view of Respondent 9 - with materiality. Concerning research question 3 on barriers, directly relevant to this point, the emerging issue of SDG washing is captured in the literature review chapter (Eccles and Karbassi, 2017; Fishman, 2018; Verles, 2018; Nieuwenkamp, 2017; Verles and Vellacott, 2018). Thus, the importance for business to take a positive stance here can be seen. This following a course of moral legitimacy grounded in Scherer and Palazzos' (2010) legitimacy theme of Political CSR and being one that drives business purpose (particularly, Grayson et al., 2018; Mayer, 2018).

### ***Challenges in the complexity***

In this vein, and further concerning research question 3 on barriers, Respondent 10 considered the situation in supply chains and leadership in supply chains (Isaksson et al., 2010) providing the example in the following passage, concerning the SDG food waste target 12.3.. This as an illustration of the type of effort needed and with the implication of insufficient drive, in general, of this type of approach in the implementation of the SDGs:

R

It's absolutely not being driven down into supply chains. An awful lot of what is emerging from the UN, you know, requires translation. I'll give you a perfect example: SDG 12.3 – 50% reduction in food loss by 2030; erm, the Champion 12.3 Group was set up and it published guidance last year, I think it was July or August, on SDG 12.3. It said, right, look at what SDG 12.3 means – food loss and waste entirety number 1. And number 2 it means this definition of food waste is made up of edible, inedible and surplus. So, it's gone further than the food loss and waste had done with the SDG created by the UN – and therefore they had to write the guidance and translation. I think that's a perfect example of the work the Global Compact (United Nations Global Compact) perhaps ought to be doing. Yet it needed an organisation set up specifically for one of the 169 targets to come along and provide the guidance for 12.3...Hence the point about the need for new partnerships. Without Champions 12.3 coming along, and the Chairmanship of Dave Lewis (CEO Tesco), then we mightn't be seeing as much focus on food waste. But what about the other 168 – does it need a global industry lead and a bunch of new stakeholders to drive all of them? It probably does, it certainly needs new partnerships.

I

Yes. So you are thinking that the accent on partnership is missing and that that is an important factor?

R

Yes, I think it is hugely important- the existing partnerships, trade structures, associations, even the NGOs that have been around in the sustainability and sustainable development space for a long long time – all have individual agendas and things they are pursuing. It all adds up to not enough when you measure them against the totality of the 17 goals, and therefore you need a new way of doing things, and that has to be about partnerships. People who actually want a sustainable world, not people who want to see more fish in the pond. (Respondent 10)

This illustrative case appears to be indicative of the level of multilateral commitment implied, in sense making, to provide for real world success of SDG implementation. In this it is situated within the Political CSR in the responsibility theme as *social connectedness* (Scherer and Palazzo, 2010). Also, the mention by Respondent 10 of the Global Compact (UNGC), in

the context, is significant. It is resonant also with the views of Respondent 9 expressed above in the subsection above in the *Category – general articulation of business purpose*.

Further on the complexity of translation of the SDGs into relevant business implementation, Respondent 7, a professional working on SDG implementation development in a large UK retail organisation, offered the following:

So, working in the sustainability team we are really aware that we need to incorporate the SDGs into any strategy and into any commitments for the future. But given that these SDGs were predominantly written for governments, erm, many businesses are in the same position as ourselves in that we have to work out across these 17 goals, which are the priority for us, and actually what do we do about it as a business – because if you look at the targets and indicators they are written very much at country level...So, I know there's a lot of work going on in various different sectors, from the service sector, the big four; looking at working with business, erm, NGOs etc. – to work through and say well what are the defined activities that we can set in place, erm, for different industries and how do we measure that?.... (Respondent 7)

This respondent went on to discuss sector initiatives which were under development; this work was in the early stages of development. Part of this work was indicating a selection of 5 SDGs 'to put our assets behind' (Respondent 7). However, tensions in these considerations were revealed, with Respondent 10 being resistant to a selective approach. Respondent 9 however pointed to alignment with the SDGs which existed because of a pre-existing (pre-existing to the SDGs) large scale, stakeholder inclusive effort, in materiality assessment. This in the setting of the large scale MNC in which he works.

Again, aligning with the social connectedness conception of Scherer and Palazzo (2010) in their responsibility theme of Political CSR, it is notable, that these respondents, and others, emphasised the need for an inclusive multi-stakeholder approach in the translation of the SDGs into business implementation. This being aligned with Scherer's (2018) assertion of SD as a meta-responsibility. Regarding research question 1, it seems important, however, that this is indicated as very much work in progress.

Being engaged in significant networks involved in the translation of the SDGs into business the views of Respondent 7 provided some useful perspectives. The respondent's own

organisation seems set to go beyond being confined to rebadging of current initiatives under the banner of the SDGs, this being to move further progression in it's own performance, through the translation of the SDGs. However, being relevant to the matter of SDG washing raised in the literature review (Eccles and Karbassi, 2017: Fishman, 2018:

Nieuwenkamp, 2017: Verles, 2018: Verles and Vellacott, 2018) Respondent 7 commented further on this. Drawing on her experience in the developing networks, including the UNGC Local Country Network, she pointed out that, pertinent to research question 3 on barriers, unlike in her own organisation with a positive approach, this is not a stance that is held extensively by others:

And I know that the local (UNGC) networks in each of the countries are going to be doing some work with business to say, well what it is that we want to achieve. But, what we are currently finding is that across the board everybody is talking about these things, and what they are doing is predominantly what they would have been doing anyway...

I've yet to see any major strategy where people have said, no we're stopping doing this and we are going to be doing this because there is a specific target in the sustainable development goals for us to do that. So, does that make sense from a high level – what we're doing, the kind of things we're thinking about at the moment?'

(Respondent 7)

However, on the efforts of the UNGC, which are referred to also above - Respondent 7 provided that, 'there's lots of greenwashing out there... But I think that the Global Compact is putting real effort into it, and it does seem to be genuine' (Respondent 7). She felt that she was supported in her organisation, in that there was investment in the effort for relevant strategic integration the SDGs, but she felt that 'levels of awareness in the UK generally in management, are fairly low.'

It is clear that consideration of the SDGs in business, and in the policy community and civil society is at an early stage of sense making. Pertinent to the research aim of exploring change dynamics in the business and society relationship, the effectiveness of the engagement of the rump of business beyond the leading proponents is a point of necessary focus. The imperatives indicated by Scherer and Palazzos (2010) Political CSR themes are clearly important here. The indicated need for of a more developed dialogue between

business and society with a focus on argumentation, rooted in moral legitimacy is grounded in Scherer and Palazzo's (2010) responsibility theme of Political CSR.

#### **5.3.4 Category – change at scale**

Conversations were carried out concerning extant activity to achieve change at scale for SD in the context of business behaviours. The need for change at scale is indicated in the literature, with reference to the SDGs, for example Van Zanten and Van Tudler (2018) and SDG Compass (2017).

##### ***Limited progress***

A discussion was carried out concerning the real-world challenges of meeting the indicated need for change at scale for SD with Respondent 9. This was concerning aligning the large resources deployed in core business processes (Browne et al., 2015; Grayson et al., 2018; Mayer, 2018) of MNCs with SD, and was drawn from his perspective as a significant actor in a very large MNC. The company has a profile concerning positive efforts in its supply chains regarding the provision of secure livelihoods for smallholding farmers in supplying countries, and it exhibits other positive activity, including in the ecological context. Relevant to research question 3 on barriers, the conversation broadly addressed the substantial failure in some sectors (for example Action Aid, 2016) to address the context and reality of conditions on the ground in supply chains (Schwartz and Tilling, 2009) and the perceived normative obligation of major corporate business entities to provide leadership for SD in their supply chains (Isaksson et al., 2010; Reinecke et al. 2019, Slavin, 2017; Slavin 2018). It is central to Political CSR and in this particularly through the social connectedness model of the responsibility theme of Scherer and Palazzo (2010). In a discussion pertinent to research question 3 on barriers, on whether he felt his peer group of MNCs were substantially aligning their core business activity with SD, in the supply chain context, he provided the following:

I think some people are. But I think it's still a minority. I mean even if I look at the UN. I mean the UN Global Compact has about 9,000 member companies. That is a big chunk of significant private sector, but it's only 9,000 companies. And the debate then is, when you put that into context of the total number of companies – there are 2 million SMEs in the UK alone...Em, so depending on who you believe those 9,000 companies will provide a significant proportion of world trade. On the other hand, as entities, it is a small proportion of the total number of entities. And if we want to do

something on climate change, then we all have to do something differently. That's not just corporate that's civil society as well. Em, I think one of the things that companies in that 9,000 can do is more robustly to start to leverage their value chains and activity within their value chains – to cascade it. (Respondent 9)

Respondent 10 operating more broadly across the food sector, as a supply chain specialist in a food sector think tank, concurred with the view. However, he pointed also to positive examples where change at scale is being moved in the supply chain context, offering the following:

R

Er, that's one view of it. That said, cocoa example, there are wheat, there are cotton examples. There are sustainable agriculture initiatives; there are more examples of what you talked about. They are few and far between. Erm, even in the UK, if you look at the dairy sector. Every retailer has it's own dairy support group. However, there's only a handful of them that really engage with their suppliers. So, for instance ASDA is the only one which, em, guarantees it's prices, as opposed saying yes, we'll give you a price but it will fluctuate according to the global market conditions. The ASDA case is the exception rather than the rule. We are missing huge opportunities by the absence of others.

I

Then, it's fair to say that case studies that we are talking about, are all about moving to scale, aren't we really?

R

They are moving to scale; ASDA is doing in the UK what it has been doing in dairy, to other sectors for quite some time, and Walmart has increasingly been adopting some of those practices globally, as well. Their experiments with Blockchain in mango sourcing from the Far East are about exactly that. Knowing where it comes from so that they can try and go back to source and ensure that the practices back at source, for whatever communities they are buying from, are as good as they can be. (Respondent 10)

### *Partnership approach*

Concerning the need to achieve change at scale, relevant to research question 3, respondent 12 referred to his company's involvement in addressing issues of deforestation, including in relation to sustainable palm oil (Slavin, 2017; Slavin 2018). He emphasised the importance of a partnership approach with local country jurisdictions, NGOs, other MNCs, and with smallholder farmers in order to be successful in leveraging change at scale, asserting the following:

Em, so yeh within that context we see partnerships as probably the most important way of getting there. Because no one organisation - whether it's government, whether it's the UN, whether it's NAME OF RESPONDENT'S COMPANY – is big enough to obtain the ambition of the Sustainable Development Goals. So, partnerships are fundamental in achieving the scale of change that's required to get there. And then, I guess we see partnerships across a whole plethora of organisations. (Respondent 12)

Situated in the complexity of the issues, the importance of partnership working to bring about realization of scale change for the SDGs was also clearly highlighted by respondents 9 and 10. It is interesting, in this respect to consider the views of Respondent 8. This is from his perspective as an environmental and sustainability professional working in a substantial SME, which is an ICT electronics manufacturer and distributor, in the UK market. In this segment his company is situated in a network of key relationships with very large MNCs, which are suppliers. Clearly these major supplying brands, such as Apple, Microsoft and Intel are powerful; they are market defining and they are in a position to exercise extensive capital and knowledge intensity. In the context of this and concerning sustainability issues, Respondent 8 clearly perceived and expressed the importance of partnership working. This being positioned in the reality of the global influence of the MNCs involved. Relevant to research question 3 on thought leadership, he provided the following passages in a conversation which explored evidence of authentic (Browne et al., 2015) orientation of business strategy towards SD:

R

...I think we would particularly point to Intel - from our experience and the partnerships we have had Intel do seem to be very far sighted: looking to the future



and have those sorts of things in with their business strategy - very proactive. They bring people like ourselves into the fold, express what they are looking at, what their objectives are...

And I think encourage feedback and input from partners like ourselves which is positive.

I

So you would position yourselves as a business partner with the likes of Intel.

R

Yes certainly - we are because of what we do – the amount of Intel products we use in our own manufactured items, but also they are present in the branded stuff we do. So, we do have a strong link and we do get quite a lot of involvement with them.

And:

R

I see where you are coming from. I think the shift with the likes of Intel is that they see the link more with the SDGs and their technology and how that fits into sustainability goals...I think that organisations like Intel are ahead in this – others are catching up and not quite making that connection...The likes of Intel realise that they have the technology to innovate to make a very strong contribution to tackling the sustainability issues... (Respondent 8)

The discussion with respondent 8 illustrated a position of MNC leaders and laggards in the ICT sector. Taken as an example, it is apparent that the opportunity available in the sector through the large capital and knowledge intensity is significant. This respondent referred the high level of innovation that is characteristic of, and available in, the ICT sector and felt that it was important to capture this in the context of progressing the SDGs, in various dimensions (Grayson et al., 2018; Mayer, 2018; Van Zanten and Van Tudler, 2018). As an illustration of this – and also emphasising the importance of partnership working - the Early activity of Intel and Microsoft, working with NGO co-authors, is captured in this context in the creation of the SDG ICT Playbook (UNEP, 2015) which indicates the positive propensity of various activity. It can be seen here that this involvement of the IGO, UNEP, illustrates meaning in the exhortation of Abbott and Snidal (2013) of the strategy of regulatory collaboration and orchestration on the part of IGOs (in this case UNEP), here placed in the explicit context of the SDGs. In this it aligns also with the notion of meta-responsibility (Scherer, 2018) in relation to realization of the SDGs. Framing is further provided here in Political CSR under

the theme of democracy expressed as the deliberative model of democracy (Scherer and Palazzo, 2010), again here in relation to business purpose in the context of sense making and implementation of the SDGs.

However, concerning the research aim of exploring the propensity for change in the business and society relationship, deficits in the extent to which the sought-after approach is being undertaken are evident. These views of the respondents, in this section, calling for a more intensive effort to engage the large resources of MNCs and to look for a partnership approach at various scales and levels, to achieve change at scale in pursuit of the SDGs seem interesting. They are resonant with emerging views in the practitioner context (for example, Earth Security Group, 2017: SDG Compass, 2017: UN Global Compact-Accenture Strategy CEO study, 2018), raised in previous chapters, concerning the need to step up activity.

### ***The alternative sector***

In pursuit of further nuance and in light of complexity, it seems interesting here, to refer again to the views of Respondent 13, offered from his perspective as a supply chain sustainability specialist in an international pressure group. Relevant to research question 3 on thought leadership, grounded in part in his pursuit of a pragmatic approach and also discussed above in relation to business in the *Category – general articulation of business purpose*, this respondent advocated an approach which could result in change at scale. This in the sense here, being indirectly, through corporate sector sourcing activity in supply chains. As discussed above, this was asserted by the respondent in relation to a proposed tool under development, to further build and promote alternative sector (Reinecke et al., 2019) businesses. The latter being businesses which are predicated on social mission and in which the progression of SD is ‘locked in’ (Respondent 13) to their governance, business strategy and business processes (Grayson et al., 2018: Mayer, 2018). The interesting link that this respondent made here to achieving change at scale is through promoting the preferential treatment of the alternative sector, in the purchasing contracts of MNCs; this also with implied reputational advantage for the corporate businesses involved. Thus, the activity is for them to favour supplying businesses which have verified their explicit reason for being with social goals. The respondent pointed out the possibilities for change at scale arising from the increased volume of purchasing by large corporate entities from the alternative sector. This was set in the context of his pragmatic view that it would be difficult (arising from his

experience) to change the overall business model (Reinecke et al., 2019) of the corporate entities, themselves, to one of social business. As indicated this initiative was at an early stage of development.

### ***Pre-competitive space***

Concerning research question 3 on barriers, it is interesting to consider the position of competition between businesses in relation to it acting as a brake on change at scale.

Respondent 4 considered this in the retail context. Referring to competitiveness as a barrier to change at scale he provided the following passage:

...But there is a difficulty and a challenge that business has delivering efficiently and effectively on the huge sustainability agenda that we are talking about here. This is on the basis of er, competitive advantage. It gets in the way. We see an example recently, and I don't know the technical detail, it's not my area. However, Iceland have just announced they are going to eliminate plastics from their own brand packaging. This is a fantastic thing to do and they have gone out and got very good PR from that...But, it becomes – particularly watching the social media where people are engaging and say that they do their shopping there now - a competitive element. However, this is not really why it should be being done...If they have got answers and solutions and if they say they are going to be using wood pulp boxes and all these things, then why does the industry not know about that and why collectively are the food industry (after all we share the same manufacturers for example), why are not all talking about the same thing at the same time to drive this so that by 2020, 2030 or whatever all UK retailers could be in this position? So that would make the big difference, not one single retailer. I think in my experience, wherever you go, you see great examples of great things happening, but in isolation. Because it is an individual business agenda. Er, yes, competitiveness gets in the way. There's a lack of cooperation. Recently the work that the NAME OF ORGANISATION has been doing is to look at the key issues – and the conclusion is that you can't do this on your own. You need to be collaborating, you need to be engaging. I agree with all of this but the difficulty comes when you want to collaborate, because everyone has their own direction and priorities as well. (Respondent 4)

This respondent felt that the progression of collaborative approaches needed more attention. This is collaborated by emerging views in the literature on the need to create pre-competitive space to facilitate change at scale (Grayson, 2014; Morrison, 2015; Prescott, 2015; Silverthorne, 2017). However, indicative of the practical challenge, he further emphasised complexity as a barrier, arising from companies having ‘their own processes systems and agendas’ (Respondent 4). This respondent referred to the ETI (Ethical Trading Initiative, 2018), discussed above in the literature review, as an example of a useful co-operative node formed in the retail sector, comparing it to fair trade, he asserted the following:

Yes, in my understanding, and comparing it to the Fairtrade example, ETI is none competitive, at least in the way I view it. It is a ‘hygiene factor,’ before you start talking about other stuff; it’s seen as the basic fundamentals – working together on fundamentals in the supply chain. Making sure that people are looked after reasonably well, it’s about retailers getting it right. It’s not about being a communicable customer message in this sense; it takes the competitiveness out, in my view. So, the retailers will work together for the wider good. Whereas when it comes to the Fairtrade work, it becomes much more about – if you can be the first to do something and show the impact, then you can use that to your marketing advantage. (Respondent 4)

### *Nodes for systemic change*

Further, in relation to the formation of nodes to encourage change at scale and systemic change, in the setting of pre-competitive space, a discussion was also carried out with respondent 12. The node concerned was the Consumer Goods Forum (CGF). As discussed in the literature review the CGF is a collaboration between retailers and manufacturers to improve environmental and social sustainability performance in supply chains. The topic of the discussion concerned was existing deforestation free commitments (Consumer Goods Forum, 2018; Harvey, 2020; Slavin, 2017; Slavin, 2018). These commitments made by companies in the CGF address commodity supply chains, such as palm oil, and as such fall within the specialist area of expertise of this respondent. In this context he pointed out the value of the CGF and other initiatives in raising awareness of the issues in the retailing and manufacturing companies, and in obtaining and agreeing broad common purpose among the companies concerning the deforestation issue. In this he indicated that ‘you have to bring all the actors along the way. There is no point in one or two saying, you know, we are going for

system change and the rest doing nothing' (Respondent 12). However, pertinent to research question 3 on barriers, referring to the perceived failure to bring this comprehensive approach (Reinecke et al. 2019) into meaningful action in the context (Schwartz and Tilling, 2009) of participant company operations he felt that organisations like the CGF which can usefully garner and assemble the commitment are not necessarily the same as those that will effectively drive delivery. He provided the following passage relevant to this and to the complexity involved:

So, I guess there are organisations where you can bring people together to sign up and share ambitions. Many of these institutions are good for that. Then it's a question, you know, of how do you achieve delivery of these ambitions...That's still harder...ER, and may be done through other organisations, institutions as well... So, for me there is no reason why getting the ambition, the change at scale – can be done by some, but actually implementing change may be done by others as well. Er, and again you can see that with the no net deforestation type commitment. It's easy to express a no net deforestation commitment. But, at the time when some of these things were being expressed, where we could all share the ambition, er, the actual mechanisms and the definitions and the financial procedures of how to address it, didn't exist at the time people were making these statements of ambition (the zero deforestation commitment). So, things have followed, continue to follow, and there probably are still gaps. (Respondent 12)

In this the respondent pointed to the fact that the CGF is a business a sectoral agreement and, relevant to research question 1, asserted that further multi-stakeholder input is also needed (Scherer and Palazzo, 2010), at various levels, to make it work. He provided the following further illustration pointing out that, 'if China doesn't want to impose standards on Palm Oil, there's probably limited places that things can go...If smallholders want to develop, they will develop, it's not up to Consumer Goods Forum to say you cannot develop' (Respondent 12). This respondent conveyed the level of effort implied in forming successful interventions in this respect. It is interesting that he generalised the discussion while expressing the view that enough was not being done to bring governments, NGOs and industry together achieve what is needed to bring change at scale. In this he referred to the positive example the Paris Agreement on Climate Change (UN Climate Change, 2015) as being indicative of the multilateral stakeholder approach needed. He asserted that 'there are very few institutions, I

think like that, across other sectors, on these other sorts of sustainability issue' (Respondent 12). These views on the further development of creation of pre-competitive space in business, through increased activity in wider stakeholder engagement are captured also by Prescott (2015). The latter concurs with the value of corporate coalitions, by implication such as the CGF, in ensuring attention is brought to the correct areas of concern and that these are highlighted for attention. However, he also supports the view of Respondent 12 in that for the implementation of authentic change, wider stakeholder co-operation is also indicated. Resonant with the respondent's views he argues the following:

The grand, sector-based collaborations of recent years served a clear, broad, purpose, but now they need to spawn a new generation of more nimble, diverse, multidisciplinary, cross sector groups...As corporations encounter the immense operational challenges involved in achieving some of their headline grabbing sustainability goals, this evolution is likely to accelerate. (Prescott, 2015)

It seems interesting to bring to bear the views of Respondent 5 here, a senior academic of long-standing in food sector policy and also a public intellectual (Watermeyer and Olsson, 2019) in the context discussed in the literature review chapter. Here from extensive experience of working in the food sector this respondent pointed to the brake on progressive action that can be exerted by an industry based on financial short-termism (Mayer, 2018), and within a prevailing culture. However, pertinent to the research aim of capturing change dynamics in the business and society setting, referring to the current emerging crisis (George et al., 2016) in food sustainability:

There is a delay very often, you know the nature of what to the food industry is acceptable can change, and this can change remarkably. And I think that sort of change is happening at the moment. That gives me optimism. (Respondent 5)

It is apparent that the contribution of academia is important in these considerations. This is taken up in the discussion on dimension 3 below, which considers deficits in teaching of sustainable development and corporate social responsibility in higher education.

## **5.4 Dimension 3 – Higher education deficit in teaching of sustainable development and corporate social responsibility**

As discussed in Chapter 3, it is worthy of note that the HE component in this thesis arose in the process of the research at the empirical stage. This in the process of conducting the elite interviews.

The perspective in this dimension is of deficits in the contribution of HE, here where the focus is predominantly on business education. These deficits are found to detract from progress towards SD in not sufficiently promoting a progressive approach, in business practice, through the business education provision. However, concerning the research aim of this thesis, potential improvement dynamics in the business and society context are indicated.

The results interpretation and discussion in this dimension are carried out below in the seven categories identified and are illustrated using supporting extracts from the data.

### **5.4.1 Category, centralisation, general failure**

This category explores the general assertion of failure to centralise the teaching of SD and CSR in the HE curriculum and in this addresses research question 3 on barriers.

Respondent 1 strongly raised this point, aiming particularly at business and management schools but also more widely. This to the effect that centrality in HE should become a given, not an add on.

Erm, instead of just a few of them doing it, or one or two often having one or two semesters on the broad issues –would it not be possible to develop curricula which take it for granted; that the future of business is going to have to be based on this sort of modelling?...Because until business sees this as central to corporate management - the sustainability issue – our hands will be somewhat tied. But if everybody who leaves a business management course, whether they are accountants, whether they are risk management people, whether they are chief financial officers, whether they are engineers – and that's another area to look at not just business management, the whole engineering sector. If they leave knowing that this is a given, it is not an add on, it's not a good thing to do after we've done everything else. It's a must to do, otherwise we won't be able to do anything else. (Respondent 1)

Pertinent to research question 3 on barriers, responding to a question on the need for sustainability education in business schools, Respondent 2 felt that, ‘I would absolutely concur with this. I am thinking, from experience, of clients that could have benefited as part of their business studies, from curricula that covered the all aspects of the agenda, environmental and social as well as economic.’ On the need to the challenge of providing robust SD and CSR education, Respondent 3 concurred with this view, stating that SD should be foundational in HE and embedded in the curriculum.

From the standpoint of being a senior academic with long experience in the sector; on his knowledge of the state of affairs in the positioning of SD and CSR in HE, the view of Respondent 5 is contained in the following interview passage:

I

Do you think that teaching in HE about the centrality of sustainability is more the exception than the rule?

R

I’m just going by my hunch; I would say that there is more rhetoric about sustainability today than there was. Do I think that it is really transforming what is done? I think in some courses, but mostly no...I mean the whole thinking about sustainability is that it affects everybody and changes everything – it doesn’t get the leverage, it doesn’t get the heft. So, sustainability is seen as a marginal issue, rather than being the common framework for everything. (Respondent 5)

Respondent 11, concurred with this pointing to the matter that relevant research activity in SD was not coming through in the classroom in research informed teaching. Referring to the MBA diet this respondent agreed that while there were, in some cases modules on sustainability or CSR, these were not substantially integrated into the MBA subjects such as strategic management and human resources management.

### ***Need to progress from a ‘bolt on’ position***

Thus, a general assertion of the problem of failure to centralise the teaching of SD and CSR in HE curricula was captured in the discussions. The results indicate an approach to education in SD and CSR in which, where it exists, tends to be bolt on and not integrated. The need to move to a position where integration in the curriculum is taken for granted, was indicated. This was at undergraduate and post graduate levels; it was characterised as needing to be “foundational.” This in business education, accountancy, engineering education and



education for other professionals. It was with the aim of embedding “it” as a concept and a culture in business.

### ***Indications of improvement***

Relevant to this failure to centralise SD and CSR in the curriculum, and in the context of management education, it seems interesting to note the development of the Principles of Responsible Management Education initiative and its’ forward trajectory, considered in the literature review. Discussing these developments, and being relevant to research question 3 on thought leadership, Haertle et al. (2017) comment on insufficient approaches to curriculum development in which:

...curriculum development is, so often, a term used for rearranging subjects and topics that remain largely unchanged for years. PRMEs six principles provide the opportunity for an examination into the curriculum, but also into research topics, the manner in which schools engage with wider society, and to engage with the private sector. (2017:67)

However, traction for an improvement trajectory is not assured, in the mainstream. Further concerning research question 3 on barriers, this need for change is emphasised, for example, by Pitt-Watson and Quigley (2019) and Weybrecht (2016) in the same context. Further strands of this are taken up below, in this chapter, including apparent improvement dynamics.

#### **5.4.2 Category, interdisciplinary approach**

In relation to research question 3 on barriers, this subsection explores the perceived obstacle of paucity of an interdisciplinary approach, leading to diminished teaching of SD and CSR in HE.

Respondent 1 addressed this as follows:

I think there is a lot more that can be done there. I don’t know enough about academia because I have been out of it for a long time. But, my sense is that there needs to be some change in attitude of academic staff, as well, so they don’t see their little specialism as being something that needs to be protected and the thing that defines them above all others. This is going to have to be something that everybody who goes through any aspect of corporate education – whether it be, finance, risk

management, engineering, product development, advertising, whatever it be – is going to have to have exposure to this kind of thing. (Respondent 1)

On barriers to the interdisciplinary approach Respondent 11 referred as follows:

I think this is because Universities are designed in faculties of sciences and social sciences. Er, increasingly you realise that actually the innovation, the novelty, comes from bringing the social sciences and the sciences together. (Respondent 11)

### ***Academic defensiveness and academic silos***

Thus, the view emerged that defensiveness of academic disciplines and their attached prerogatives are a barrier to the promotion of a teaching agenda which is geared the cross disciplinary imperatives of education for SD and CSR. This is taken up further below, in the category below - *Lack of Relevantly Skilled Academics in The Teaching Context*.

The problem of the embedded nature of academic silos is pinpointed in academic terms by Kurland et al. (2010) who point out that, in light of the unprecedented scale of the crises in sustainable development, that in the taking of real-world sustainable actions:

...an appropriate account be given of ecological, economic and equity factors, relevant to any decision, and as such are not associated with any single academic discipline. Rather, the concept of sustainability is uniquely transdisciplinary, with roots and applications in each of the compartmentalised academic fields. (Kurland et al., 2010:459)

In this they point to the need for a new way of thinking and a new way of educating and, '[t]herefore, sustainability education requires an interdisciplinary approach that accounts for the range of ways in which human actions affect the natural and built environment' (Kurland et al., 2010:459-460).

### ***Complexity***

However, concerning research question 3 on barriers, these authors - drawing on the practical case of a business school experience of creating interdisciplinary course on sustainability – bring out the complexity of the task, and the nature of the effort needed. This is framed by identifying HE institutions as 'loosely coupled systems' with 'structural holes' (Kurland et al., 2010:458) which act to inhibit the sort of interdisciplinary education envisaged. They

indicate the need for strategic management input, organisational change and implications for management pedagogy.

These views on the need for interdisciplinary education for sustainability are reflected by others, Annan-Diab and Molinari (2017), for example, provide research on the need in relation to the SDGs. Their study utilises a case to illustrate the integration of sustainability and the PRME principles into an MBA course. Again, some of the reality on what is involved in the task, is illustrated. Useful Illustration of the complexity and effort involved in the integration of sustainability in management and business education is also provided by Rusinko (2010). This is framed through the generation of a matrix of options/stages in the envisioned approach to developing various progress in integration, characterised as different extents of advancement. The latter progressing to the creation of cross-disciplinary courses. Here sustainability integration as a strategic organisational goal is illustrated as the most progressed state. However, other more recent literature explicitly places the taking of an institutionally top driven strategic approach in HE as being crucial. This with notable reference to the emerging SDG agenda (Driscoll et al., 2017: Elkington and Zeitz, 2014: Pitt-Watson and Quigley, 2019: Snelson and Powell et al., 2016). This is taken up further below in the *Category - Strategic determination*.

Within this discussion it is interesting that respondent 14, drawing on his leadership experience in a progressive UK Business School, reflected on the situation of barriers to the interdisciplinary approach. Here, and also relevant to the discussion in the categories below - *Lack of UK Provision in UK Business Management Schools and of Strategic Determination* – this respondent indicated the need for team teaching. This to provide for the needed interdisciplinary teaching approach for the learners. However, here he confirmed a tendency among faculty to resist team teaching in the cross disciplinary context. He pointed out that, pertinent to pressures of existing incentivisation and career development in HE, faculty tend to perceive their interests as being to maintain their teaching as it is. ‘They want their module that they’ve got control over, they teach it every year’ (Respondent 14). He pointed also to similar resistance at discipline level to an interdisciplinary approach, with academic groups behaving in defensive ways.

### ***Purpose in the academic setting, and the interdisciplinary imperative***

However, concerning research question 3 on thought leadership, and aligning with and being extended by the discussion on purpose below in the *Category – Strategic determination*, this

respondent emphasised that the route to progressing change here was in the adoption and articulation of purpose. The latter being explicitly through the positioning of purpose in the Grand Challenges (George et al., 2016) pertinent to the SDGs. Being aligned with the views of Kurland et al. (2010), this respondent asserted that this could only be achieved through a multi-disciplinary approach:

It can't be taught, thought, understood, researched through a single disciplinary lens...You have got to break it out and open it up...Part of our purpose is to send our students better equipped to invest in the grand challenges by being able to perceive problems as being inherently multi-disciplinary...That to me is the purpose of a broadly-based social science school of management or business school. (Respondent 14)

Further in the context, Respondent 14 asserted that this articulation of purpose concerning the grand challenges also needed to be activated by appropriate external engagement of academics with wider society, in light of the grand challenges (George, 2016; Scherer and Palazzo, 2010; Scherer, 2018). This discussion was situated in the current negative context of the diminishing role of authentic external engagement of the academic as a *public intellectual* in the circumstances of marketisation of HE (Watermeyer and Olssen, 2019) referred to in the literature review chapter. This associated with the emergence of the 'instrumental academic' (Respondent 14) incentivised by pressure to publish in elite journals 'and you may never have engaged with another colleague, let alone from a different department' (respondent 14). The respondent framed this in the context of the strong influence of, pertinent to their academic ranking implications, the leading academic journals which still tend to favour single discipline papers. He recognised some improvements 'at the other end of the supply chain in terms of the research funding' (Respondent 14) in encouragement of interdisciplinary / post disciplinary research, referring to the ESRC funder. However, he pointed out that the share of this fund that goes to business management is small and diminishing and to other constraints.

Further concerning research question 3 on barriers, it is interesting to consider the views of other thought leaders in this space, in the context of their research contribution, this being of acknowledged international standing. In this, Respondent 11 - situated in the business school setting and being highly active in interdisciplinary research in the SD context - pointed to an increasing, yet still insufficient movement to fund and promote interdisciplinary research.

Further, in the research context he felt that SD linked funding like the Global Challenges Fund and the Global Food Security Programme were very much to the positive in promoting interdisciplinary research co-operation. However, he felt that the approach still tended to be partial, here referring to research in the food system, finding, ‘(t)here are still enormous gaps across interdisciplinary research, which the SDGs need [to be remedied] really’ (Respondent 11). Further in relation to the food sector, but explicitly approaching it from a public policy perspective, the views of Respondent 5 are interesting. This respondent is a long-term proponent of interdisciplinary research set in the context of SD. He referred to the restrictions of the REF in the context. However, he pointed out the generation of a successful interdisciplinary dynamic in his own research centre, and in those of others. He also referred to the role of crises in driving change and found the current grand challenges in the food sector including, climate change, inequality, poverty, health issues and ecological carrying capacity to be a current stimulus for interdisciplinary research. In this he asserted that, ‘the crisis is bringing out climate change scientists talking to social scientists – it’s astonishing’ (Respondent, 5).

It seems that the stimulation of interdisciplinary teaching and research is important. It appears to indicate attention in policy circles and in the strategy considerations of HE institutions.

#### **5.4.3 Category, lack of relevantly skilled academics in the teaching context**

Relevant to research question 3 on barriers, this subsection explores the perceived obstacle of shortage of available academics with the relevant skills / experience to deliver teaching in relevant emergent thinking and in an appropriately cross disciplinary context. The lack leading to diminished teaching of SD and CSR in HE.

The following passages capture the views of Respondent 11 on the issue:

I

Aha. Thanks for that. Can I just check that I am picking up your view correctly please? There is more of a multi- disciplinary research agenda being created on sustainability, but it is fair to say that this is not really feeding it’s way into teaching, in the main?

R

Yes, correct. Particularly at undergraduate level, where you particularly want it to feed into.’

And:

I

Thanks for that. So, perhaps there could be something of a resource issue on the academic supply side and, er, a call for people with alacrity in that area may be indicated?

R

I agree yes. I mean, you can recruit for it, but there's a lack of those people around.  
(Respondent 11)

These comments are resonant with the views of Snelson-Powell et al. (2016) who find that, in the context of their research into business schools, 'if a business school genuinely intends to implement its sustainability commitment, investing in faculty with the required knowledge or encouraging sustainability as a research team provides a stable basis from which substantive activities follow' (2016:720).

### ***Bringing about change***

In a conversation concerning business and management schools, regarding the paucity in teaching SD and CSR in a way that positions it to being core to business purpose, strategy and processes (Grayson et al., 2018), the following passage provides the view of Respondent 12:

I guess that all institutions have a sort of lag period. It depends on the rate of turnover and those sort of things. So, they can't just change over-night. They'll start to reflect some of these issues as new researchers come into the departments and so on... You can't get rid of all the old ones... *both laugh in gentle appreciation of the point*. I think there is an institutional lag that reflects the nature of the individuals that are there. Going forward if people want the research funding and the opportunities and the growth areas; you know these are the areas going to be funded in the future – I would expect the research, and the academics and the education to follow the money.  
(Respondent 12)

This tendency, in HE, to exhibit lack of leadership inclination to force the indicated change seems important in light of the perceived urgency and scale of the global SD problems. It is captured by Elkington and Zeitz (2014) thus:

There is a critical need for breakthrough innovation in the sector. Feedback from those working at the cutting edge of business and education suggests, however that there is still a huge hill to climb. Given the fact that it can take decades to clear out faculty members who think (and teach) in the old ways, business school deans must take tough decisions – rather than simply waiting for death or retirement to sort out the problem. (2014:146).

The point on the indicated need for, and problems of, the appointment of teaching staff having relevant skills is interestingly re-enforced by the views of Pitt-Watson and Quigley (2019). In pursuit of a solution to the problem of academic staff with an insufficient skill range in the cross disciplinary context, these authors point to the need to include a balance which includes experienced practitioners in teaching teams, referring to the need to ‘(i)mprove the balance between practitioners and PhD-holders among faculty members, and augment the practical/experiential content of business education, including soft skills’ (2019:20).

### ***Practical considerations***

However, pertinent to research question 3 on barriers, grounded in the reality of delivering educational provision in a progressive setting, the views of Respondent 14, a senior academic and business school leader are interesting in way of considering real world complexity and context. In this he referred to structural constraints in the fact that while he had carried out and was supportive of the approach of appointment of none PhD staff with business practice experience, this caused some problems in HE quality assurance assessments. He also pointed to problems caused in the REF ranking, which is dependent on all faculty members submitting papers, pointing out that, ‘these engagement focused people have not necessarily been trained or prepared to do active research and publications’ (Respondent 14). He also pointed to cognitive barriers amongst traditional faculty. This in that they may resent the insertion of staff that, from their perspective, had not had to go through the rigours of academic establishment and progression.

It seems that the factors involved in this category would benefit from further active strategic consideration in HE, particularly with respect to the tensions and views emerging at the business and HE interface. It also seems that consideration at the policy level is indicated.

#### **5.4.4 Category, lack of UK provision in business and management schools**

Pertinent to research question 3 on barriers, this subsection explores the perceived general lack of integration of SD and CSR into the subject matter of teaching in business schools and management schools in the UK.

##### ***Sustainability education of future business leaders***

The following passage captures the views of Respondent 9 in concerning business education in the context of strategic business leadership in sustainability in core business processes vs education in technical issues if sustainability management. The implied deficit being the need to educate those that will be in control of strategic management and core business purpose.

I think in some ways you have hit the nail on the head. The types of courses that are run on sustainability – for want of a better expression, tend to be focused around technical issues of sustainability...For me, immediately that creates a challenge – because if you look at organisational cultures, there's a technical ladder and a there's a general management ladder. The general management ladder is the one that goes to Chief Executive, whereas the technical ladder doesn't. (Respondent 9)

In this respect it is interesting to note the corresponding view of Elkington and Zeitz (2014) that '(o)ptimists may note that a growing number of courses have picked up key elements of the people-planet-profit agenda, but too often they turn out specialists rather than leaders who can run major companies or launch new ones' (2014:143)

In a discussion relating to in the context of MBA teaching, Respondent 10 offered the following:

A couple of observations on it, Neil, I think. If I talk to the sustainability leaders within the likes of Unilever and Nestle, the biggest food businesses, on where they look for their sustainability related talent, they will look to a small number of European Business Schools, in particular IE in Madrid and maybe INSEAD, em, because they are looking for people who come through intellectually proven



backgrounds which would dispose them to being able to get to grips with sustainability within a particular industry and within a particular business. Which really supports what you are saying; that there isn't any top-flight business school that's turning out, you know MBA graduates, or otherwise with sustainability in their core. (Respondent 10)

In the context of a discussion on the lack of UK provision of MBAs with and integrated SD and CSR approach in their teaching, Respondent 11 provided the following:

I can't think of an MBA in England satisfying the need, apart from the Exeter MBA, you know the One Planet MBA. That was a bit ahead of it's time, but I am not sure that it is still up and running. Respondent 11

### ***Ranking and evaluation of business and management education***

Relevant to research question 3 on barriers, respondent 13 provided the following in the context of ranking of MBA programmes in the context of positive sustainability content and approach.

Yeh, well, I guess there's quite a lot to say on that, but one of the things I've been aware of recently is around the MBA business school rankings, and the need to start to include a lot more effort to change the MBA rankings. So, I guess the sort of things that the Financial Times do. I don't know, I think that could be quite significant. It's a bit like the CEO of the year awards – is it, Time magazine used to do. Which always used to rank CEOs on financial performance; as soon as they put social performance in the rankings turned upside down, with the Novo Nordisk CEO coming out top. So, if you could create that sort of competition in business school MBA rankings, em, that could be quite significant couldn't it?...You know, if people were saying, Harvard's no longer number one because they're not doing any teaching on this. Soon enough they're going to be mainstreaming that. That's where the pinch point is right? (Respondent 13)

In the context of it showing alignment with the views of the respondents here, it seems important to consider some current activity under the auspices of the Principles of Responsible Management Education (PRME) an initiative of the UNGC, which is introduced in the literature review. It is interesting to note the statement of the PRME mission '...to

transform management education, research and thought leadership globally by providing the Principles for Responsible Management education framework, developing learning communities and promoting awareness from the United nations' Sustainable development Goals' (PRME 1, 2019:5)

However, in a negative context and pertinent to the comments of Respondent 13 above, it is emerging that current evaluation mechanisms for business schools could be detracting from this. Here the discussion of the UNGC sponsored research report by Pitt-Watson and Quigley (2019), introduced in the literature review is relevant. The following is provided in the foreword to the research report by Steve Waygood, of Aviva investors; he is noted as a key figure in the field of responsible investment:

‘...business schools have a responsibility to empower future business leaders to understand the sustainability risks that are increasingly important to business empower future business leaders to understand the sustainability risks that are increasingly important to business and the global economy. As MBAs' course offering is increasingly driven by rankings, how can we ensure this race to the top between MBA programmes encourages a deeper integration of sustainable finance and how can business school rankings become fit for the 21st century.’ (2019:3)

As discussed in the literature review the current evaluation systems of business schools, which may be used by students as a basis for selection of institution for study, and by employers in recruitment, falls into two separate components. One component, accreditation, is carried out by accreditation agencies, principally AACSB, AMBA and EFMD and are concerned with educational improvement, rather than benchmarking business schools. The assessment mechanism for accreditation is process based and is not definitive of curricular content. Thus, the acquiring of accreditation by a business school is not necessarily indicative of such key sustainability matters as the extent of strategic inclusion of SD and CSR in the teaching delivered. Accreditation is pass or fail and as it does not possess any benchmarking element, it lacks an improvement dynamic, in this sense. The second component, developed with the purpose of allowing business schools to be compared to one another, is ranking in league tables. These are provided by ranking publications, typically carried out by media organisations, such as the FT and the Economist. Here again the ranking systems do not indicate the provenance of the schools listed, in terms of integrating the teaching of sustainability into the curriculum and so on.

Concerning research question 3 on barriers, the research report of Pitt-Watson and Quigley (2019) points out that the mainstream benchmarking systems for ranking business schools are out of date and do not sufficiently serve the emerging imperatives of business education to the end of gaining change at scale for SD. This by way of implication in the engagement of business *purpose* (George et al., 2016; Grayson et. al., 2018; Mayer, 2018)), linked to the SDGs. It is interesting here to bring to bear the views of Respondent 14, a senior academic and business school leader, currently involved in research and the construction of thought leadership in this area (Chartered Association of Business Schools, 2019). This being situated in the context of UK Business Schools. Somewhat reinforcing of the views of the other respondents and extending them, this respondent envisaged the development of an alternative business school (Respondent, 14) model. This would be participated in by institutions wishing to set and follow a progressive agenda supportive of the PRME and SD, driven by their explicit declaration of purpose. This in which he envisaged that participating schools could be subject to alternative league tables and ‘purpose driven rankings’ (Respondent, 14).

Pitt-Watson and Quigley (2019) point out that current rankings are heavily predicated on single outcomes such as resulting salaries achieved by alumni, and as indicated, are not focused on what is taught. A sought-after change, in the report, is to rank for teaching in the context of how it can ‘help equip business leaders with the with the skills needed to run a productive, inclusive, and sustainable economy for the 21st century’ (Pitt-Watson and Quigley, 2019:4). The present approach is identified with favouring rankings which reinforce the inappropriate dominance of, and framing by, the current tendency to make ‘justifications of self-interest and the primacy of shareholder value’ (Pitt-Watson and Quigley, 2019:9). This rather than promulgating a philosophy with a wider view of creating shareholder and societal value (Weybrecht, 2016), in line with the notions of business purpose (Grayson et al., 2018; Mayer, 2018) and appropriate connectivity with society (Browne et al., 2015) and with specific connection to the SDGs (PRME 1, 2019). The importance of this indicated role of rating agencies and accreditation agencies is also raised as being crucial by Elkington and Zeitz (2014). These authors refer to the need to set a framework, through business education. This is one which centralises the thinking and legitimacy of sustainable development considerations in the strategic approach of business, in its core business and operations.

The Pitt-Watson and Quigley (2019) report emphasises the large numbers of students attending MBAs and other business school courses. This brings out the importance of

framing the outlook of students, in influencing their future stance as business leaders, to positive end in the context of SD. The authors refer also to this, as part of a wider debate in relation to business school curricula and the imperative of business engagement in the move towards SD. Hence the scale of the opportunity is highlighted.

The report does not proposit a definitive approach, rather it is placed in a formative context and seeks to open up debate with the purpose of stimulating change and promoting leading developments through the focus of changing ranking systems with a view to engendering behavioural change including the embedding of sustainability into the core curriculum. In setting context, the authors emphasise that, globally, only a small proportion of institutions awarding business qualifications are accredited and ranked, and these are mainly in the West. Thus, the enabling of global dissemination of learning from organisations that are seen to be making progress in this space seems important.

Pertinent to this and also to other parts of the discussion herewith, these authors emphasise importance of gaining voice in the process from progressive business leaders. The substantial absence of this is raised. Ways of gaining authority for / acceptance for this approach are envisaged in the report, through a group of progressive leaders acting through the UN Global Compact at the UN level. As indicated, the arguments are concerned with the discussion on promoting sustainability and the SDGs through centralising sustainability / ethics in the core curriculum. This is further addressed in other UNGC sponsored PRME work, for example PRME 2 (2019).

Particularly resonant with the views of the interview respondents, when referring to the slow rate of change in business schools to the indicated imperative to change the curriculum, Elkington and Zeitz (2014), while they acknowledging some examples of progress in business schools, find the following:

One of the toughest problems is that although some schools now pay greater lip service to some sustainability issues, few courses or MBA curricula do much to help shape an agenda that will enable future business leaders to embed the necessary perspectives priorities and processes into the day-to-day operations of their supply chains. By contrast we must educate the rising generations of students in ways that fully integrate people-planet-profit considerations. This kind of education must increasingly flow through all phases, from undergrad to graduate programs to professional training and continuing education. (2014: 149-150)

In a positive context Pitt-Watson and Quigley (2019) point to the apparently positive dynamics in the establishment of an alternative MBA ranking system by Corporate Knights. The latter is a Canadian media, and research and rating organisation that ranks corporate business in sustainability in its Global 100 Most Sustainable Corporation ranking (Corporate Knights 1, 2019). Separately, the organisation also carries out annual ranking of sustainability performance in MBA programmes. This utilises publicly available data and the methodology is based on 5 Key performance indicators (Corporate Knights 2, 2019). These are concerned with the integration of sustainability into the core curriculum; the prevalence of research centres dedicated to SD; the research intensity on SD topics; faculty gender diversity and faculty racial diversity. The approach then appears to respond to the perceived need to centralise SD education in the curriculum and to promote the agenda in business schools.

### *Need for transformational change*

Significant efforts to improve the integration of sustainability into business education are recognised, in some leading educational institutions, see for example Driscoll et al. (2017) and Snelson-Powell et al. (2016). However, the views of these authors also echo the point that progress for change at scale - transformative change - may not be assured. Here, further relevant to research question 3 on barriers, they refer to decoupling. Writing in the context of Canadian MBA programmes Driscoll et al. (2017) find that:

“Sustainable MBA programs” for most part remain on the fringes. In other words, we have seen an increase in the legitimacy of “sustainability” in academic institutions, as evidenced by the increasing use of sustainability rhetoric in university business school communications. However, we have shown how these communications sometimes appear to be decoupled from substantive integration of sustainability into the core curricula in Canadian MBA programs. Many business students continue to be trained under an ethos of economic prosperity trumping environmental sustainability. (2017:111)

In the context of their study of UK business schools in the specific setting of the strategic and organisational circumstances of the decoupling of policy claims relevant to sustainability performance from actual practice, Snelson-Powell et al. (2016) refer to legitimacy in relation to the HE / society relationship thus:

However, those business schools that in practice failed to substantively implement corresponding activities are subject to legitimacy risks, if the lack of operational engagement is later exposed. Therefore, implementing sustainable commitments in practice is increasingly relevant as a means for business schools to maintain and build their legitimacy. (2016:720)

In this context of decoupling it is useful to draw further on the views of Respondent 14. It is interesting that, drawing on his current emergent research on UK business schools, he offered the preliminary view that ‘few schools are attempting to link up their effort across their teaching, their research, their internal operations or their governance mission and their external engagement’ (Respondent 14). In this respect the criticisms levelled at corporate business in their failure to provide appropriate connectivity with society through the expression and execution of appropriate purpose through engagement of core business processes and operations (for example Browne et al., 2015; Grayson et al., 2018.; Mayer, 2018; Metcalf and Benn, 2012) are echoed here in the HE context.

### ***Complexity***

However, it seems important to be mindful of the real-world complexity of the task. This was illustrated by respondent 14 in way of real-world barriers to progress, gained from his practical leadership experience of a business school, in inculcating positive change. As an example of this, and relevant to research question 3 on barriers, he referred to barriers to autonomy in creating a new teaching agenda caused by the de-facto determination of significant parts of the curriculum in business schools by the professional bodies, for example the accounting bodies. The latter set their curriculum requirements for professional accreditation, for students, for entry into a career in the accounting professions. While acknowledging that this does not apply to all school curricula, and from implementation experience pointing to scope in general programmes, he highlighted the significance of this restriction (this discussion is taken up further below in the *Category - Deficit affecting professional outcomes*). As another example of barriers, he referred to inertia caused by resistance of faculty, ‘they have all sorts of personal and institutional reasons not to change their teaching very much’ (Respondent 14). This is in the present circumstances of staff incentivisation in HE, a matter which is taken up further in the *Category– Strategic determination*.

The challenges ahead for genuine activation of a central strategic drive in most business schools seem significant. Echoing the discussion on the promotion of purpose (particularly, for example, Metcalf and Benn, 2012; Grayson et al., 2018; Mayer, 2018) in the corporate business sector, the importance of exceptional leadership would seem to be indicated here also, in the HE sector.

#### **5.4.5 Category, strategic determination**

##### ***Need for strategic leadership***

Pertinent to research question 3 on barriers, this subsection considers the indicated need for strategic leaders in HE to direct SD and CSR to be integral in teaching in all subject areas.

The following passage gives the view of Respondent 5 concerning this:

R

I think it varies. Just to give you an example, our Centre, in our University, which was then in the Health Sciences School, but doing interdisciplinary work across the social sciences arm, we together with software engineering people in our Engineering School, put together a web teaching package for all students on sustainability. The argument was that this would be a package for teaching in Engineering, in the Business School, in Health Sciences, in Social Sciences, in the Law School and so on. This was to develop a core module on sustainability for every student that came to NAME OF UNIVERSITY. Well, we developed it and we trialled it, and it was very successful but then there was no pick up. No pick up at all. So, the University supremos, didn't really see the point of it, and so on. And then wam bam our NAME OF BUSINESS SCHOOL, a very famous, a very good business school picked up and made it that their students went on a sustainability module. That was exactly what we had proposed. That was due to leadership inside the Business School. The irony is now that the Business School teaches all of the students a sustainability module and other Schools don't! I mean you couldn't invent it!

I

Do you think that teaching in HE about the centrality of sustainability is more the exception than the rule?

R

I'm just going by my hunch; I would say that there is more rhetoric about sustainability today than there was. Do I think that it is really transforming what is

done? I think in some courses, but mostly no....I mean the whole thinking about sustainability is that it affects everybody and changes everything – it doesn't get the leverage, it doesn't get the heft. So, sustainability is seen as a marginal issue, rather than being the common framework for everything. (Respondent 5)

Respondent 11 offered similar views on the lack of strategic input in the business and management school setting. He referred to good practice he was aware of at some HE intuitions but felt that 'there are pockets (of good practice) but it's often lead by individual academics.' Here he pointed to the need for strategically lead institutional drive.

These views, relevant to research question 3 on barriers, expressed by the respondents on the need for transformative change and the existence of a deficit in strategic leadership in HE to the end of centralising SD and CSR education, are resonant with the views of Driscoll et al. (2017). Referring to the work of Starik and Rands (2010) the former find that:

These authors suggest that most business schools continue to focus on legal compliance, the regulatory environment and superficial discussion of environmental issues rather than integrating sustainability into strategic decision making and the very core of business education programmes. (Driscoll et al., 2017:96)

Regarding research question 3 on thought leadership, response to the indicated need is reflected in the emerging work of the PRME. In this, on the role of HE in championing the SDG agenda, the PRME exhort, 'a paradigm for teaching, learning and understanding as core to the business model' (PRME2, 2019:2). However – aligning also with the views of Parker (2018) - the challenge for HE to take a lead in this, as a strategic priority in the mainstream, is addressed by Elkington and Zeitz (2014). Here they find that there are few business schools geared to sustainable business.

### ***Linking purpose in HE to purpose in the business sector***

Further concerning research question 3 on thought leadership, it is interesting that Respondent 14, a senior academic and UK business school leader, referred to the notion of purpose. In the HE context, he connected this explicitly to the PRME and to the realisation of the SDGs (Pitt-Watson and Quigley, 2019: PRME 1, 2019: PRME 2, 2019 PRME 3,



2019). Importantly he also positioned this, reflecting on his own research, in the same frame as the emerging notions of corporate purpose in the business sector. This in the same sense as it is raised in the research herewith and as discussed in this and other chapters (Big Innovation Centre, 2016: Burrows, 2017, Elkington, 2014: Globescan-BBMG, 2017: Globescan-SustainAbility, 2017: Haski-Leventhal, 2018: Fink, 2019: Grayson et al., 2018: Mayer, 2018: McKinsey, 2014: Polman, 2014: Unilever, 2018)

In this he asserted a linking dynamic between HE and the business sector, concerning purpose, thus:

There is a movement in the business world, but whose putting forward ideas about – if it were to occur in the business world that there is this transformation around purpose – what implications would this have for business schools? Shouldn't they actually be driving it to some extent, rather than waiting for the transformation to happen and saying now we've got to change our MBA curricular? So, I began to do some work on what business schools could, or should, be doing. And I was, to cut a long story short, very disappointed. (Respondent 14).

This discussion with the respondent included his insights on alignment of these emerging views, held among business practitioners on purpose in the business context, with his research considerations in relation to public value in HE. He pointed to commonality in the two histories of knowledge. In the HE setting his assertion of public value is particularly geared to the restoration of faith in, and in emphasis of, the public value of social science education and research (Kitchener, 2019). This being resonant with the exhortations to exhibit business purpose, being made, in the business sector. In the context this respondent referred to a new taskforce which he is leading, concerning Business Schools and the Public Good. In the frame of these considerations he placed the PRME and the SDGs centrally. He pointed out that his new research on UK business Schools aims to provide focus on the position of progress in HE in this milieu, it is set to gain relevant contributions from other sectors. He discussed the emerging findings which indicated only fragmented examples of better practice and in which, 'I am not really aware of any schools that are claiming to have put the SDGs or anything at the centre of their strategy or mission – and saying that this business school exists to promote scholarship around SDGs and to embed them into practice' (Respondent 14). In the strategic context herewith, he asserted that business schools, 'lack a sense of purpose and that VCs (Vice Chancellors) view them as a source of revenue'

(Respondent 14). Further to the discussion in the literature review chapter, these views are situated in the developing circumstances of marketisation of HE and in this of competition, managerialism and performativity (Parker, 2018; Watermeyer and Olssen, 2019). While reinforcing the views of the other respondents in this category, he also pointed to the indicated need for a constructive forward dynamic through strategically lead declaration and implementation of purpose in HE institutions. He questioned, in the sense of sustainability and the Grand Challenges (George et al., 2016), the existence of a sustainable business model in UK HE. This respondent emphasised the predominance of a stance which could be characterised as ‘myopic and short term, which is exactly the accusation we have been levelling at business’ (Respondent 14) when businesses are operating in the instrumental (Scherer and Palazzo, 2010) CSR setting. He recognised the existence positive activity in HE, generated by some faculty but, resonant with Parker (2018), felt that this was rarely from heads of schools or heads of universities, asserting that ‘(t)his is noise from below.’ Referring to the emerging creation of the ‘instrumental academic’ (Respondent 14), here situated in academic tribes that are market players (Watermeyer and Olssen, 2019:326) - this respondent referred to absence of appropriate incentivisation to achieve change, thus:

Now, they (academics rising through the system) come with an entire incentive structure sitting in their minds around what constitutes an academic *both laugh in appreciation of the point*. So, the idea of a broader based academia, that’s really committed to teaching, that goes out and engages with other parts of the university, engages beyond the university. That’s not a widespread model, and in career terms that’s not the way people are incentivised at the moment (Respondent 14).

Positioning the matter as a strategic failure of leadership, at the VC and senior management level, he referred to this in the face of the ‘huge rhetoric now around the civic university beginning to emerge again...you know it’s a disconnect’ (Respondent 14). He reflected on dimensions of this failure relating to the pressures acting against the creation of public value (Kitchener, 2019) in university social sciences. This included intense pressure to publish in elite journals (discussed above also in the *Category - Interdisciplinary approach*) leading to ‘business school academics that are essentially disengaged from the rest of academia and society’ (Respondent 14) and for the need, at strategic level, to reconsider the incentivisation of staff in matters of tenure and in promotion and career development (Watermeyer and Olssen, 2019). In creation of the pursuit of public value in support of SD, this respondent emphasised the need for strategic change embodying a ‘fundamental discussion about

purpose' with accompanying relevant change in HE 'operating procedures' (Respondent 14). This indicating the need for engagement of relevant strategic commitment (Browne et al., 2015; Snelson-Powell et al., 2016) and management of this on the part of senior university management. It seems axiomatic that this may include public policy implications in the government setting - including funding considerations.

#### **5.4.6 Category, deficit affecting professional outcomes (real world)**

##### ***Lost opportunity***

This subsection brings out the perceived loss of potential opportunity to improve real world practice, resulting from the HE deficit in educational provision.

Pertinent to Research Question 3 on barriers, Respondent 2 provided the following:

Yes, well it would certainly make my job easier if everybody was singing from the same song sheet. Certainly, in my career sustainability wasn't part of the educational agenda. It doesn't appear to be that significant even now, in terms of architecture. Discussing projects with other consultants, I think it is the same there. It would certainly be constructive if, in project meetings, when the architect is discussing aspects of sustainability, if the structural engineer and the mechanical engineer were on the same wavelength, and knew what he was talking about. It is also important for clients themselves to understand. Clients are clearly important to the process; there are lots of business people, we deal with, who again struggle with the concept and wider aspects of sustainability and don't really appreciate the benefits of it. Even with the younger people we deal with in the business community it's not on their radar as something they should get involved in. This includes the social, economic and environmental aspects of sustainability. We do spend a lot of time trying to get our arguments across, but it's quite difficult because it's not something they seem to be familiar with, or convinced of the benefits of. We have that situation with a young business owner at the moment we are doing some work with. He just does not appreciate the social benefits that the new building that we are building for him can have. He is not prepared to take advantage of the benefits that our design can bring to him in his business, this seems extraordinary but it just seems down to lack of appropriate education. (Respondent 2)

The following passage provides the view of Respondent 8:

I

From the point of view of your recruitment needs. I think you are recruiting people at all levels from Masters down. Er, I guess it would be useful to you if people were coming in with skills and knowledge in issues of sustainable development?

R

Yes, I think this would bring benefits to the business. It would mean they could apply it in anything they were involved in. They would be asking the questions, maybe putting the business under a little bit of pressure. Hopefully getting into positions in the business where they could influence that, bring it into the fold. Er, for me I think if students are not getting that sort of education, on what the implications are for business management, I don't think it bodes well. We need leaders coming through that totally get the sustainable development aspects in business management, and what that means. (Respondent 8)

With reference to the issue, the following passage provided the view of Respondent 11:

I

I know that you have a deep understanding of, and application in, the food sector and other areas. I was thinking of other disciplines like engineering, for instance. I think there may be a problem there as well -that it's not mainstream in engineering education. I wonder if you have a view on that?

R

I agree with you, but there are some exceptions, again. I would look to Cardiff University as an exception, where they are doing engineering and environmental science; if you look at Cardiff Bay, the way that has been redeveloped – with a social and environmental perspective. That department has got itself much involved in the work and the students are taught about this; some of their placements are with people like Arup...Who I think are pretty good in that space – sustainable design – aren't they.

I

Definitely

R

But, they are the exception. It's not right across the piece. As I have said there are pockets of excellence, but it's not comprehensive.

I

Thanks, so again there is a glorious few situation, perhaps?

R

I think so, Yeh. How can I put it, the supply of graduates, with that kind of thinking and skills is not meeting demand. (Respondent 11)

The following passage provides the views of respondent 13 in a conversation concerning professional practice relevant to City Traders and to accountancy and other professionals:

So, you know I don't really know very much about it, except my mates who've done MBAs and accountancy – you know even friends who work in the City as traders and they've done the FCA exams; and I say "what do you think about ESG or SRI or anything." And they say what, what's that. "So what about corporate governance, how has that not come up, you're a trader!" *Both laugh in appreciation of the point.* "Your job is to evaluate stock and evaluate companies, and you don't know the basics round this sort of stuff." So, they're not even teaching it in these qualifications which you need to become traders. So...Yeh, so I guess what I'm saying is it's not just university education...It's wider you know, the chartered accountant and the chartered professions, where this all needs to be part of it. So, yeh it's a good area to look at though - as I always think, get them while they're young. So whenever I go off to speak at Universities I always think this, if you can get people while they are young. (Respondent 13)

These views of respondent 13 concerning deficits in SD orientation by professional bodies, in prescribing the educational requirements of their members, are strongly underpinned by those of Respondent 14. The latter's views on this are also discussed in the *Category – Lack of UK provision in business and management schools*. In this case referring to the narrowness of the curriculum prescribed by the professional bodies, with the example of the accountancy bodies in the undergraduate curriculum. This being a lost opportunity in way of accessing leverage for behaviour change through education for SD.

### ***Need to move beyond the short-term financial view***

These views of the respondents on real world impact of lack of / poor educational provision in the context seem rather telling. They are interestingly underpinned by Elkington and Zeitz (2014). They refer to damage to the reputation of the MBA qualification. Here, relevant to research question 3 on barriers, they criticise the emphasis of the qualification on the short-

term financial view, where there is accusation that this has contributed to the global financial crisis (GFC).

By way of further illustration of negative consequences, it is apparent that following the GFC there was much criticism of economists for failing to predict the crisis. This is linked to business education deficits in the sustainability context. In this Inman (2018) points to problems in economics education in it's detachment from the real world. He points to the problems that this causes in real world decision making, which have negative outcomes arising from poor economic forecasting formed on the basis of narrow views which are set in a limited paradigm. In a similar vein, also in consideration of the GFC, Haertle et al. (2017) provide that:

...‘austerity’ became a byword in liberal economies as public services bore the brunt of budget cuts designed to pay for the cost of saving the banking system. Among those facing blame for the crisis were business schools, which stood accused of perpetuating a flawed focus on growth, profit and greed, seen by many as the root causes of the financial crash. (2017:67)

Concerning business school legitimacy, and relevant to research question 3 on thought leadership, Snelson-Powell et al. (2016) refer to the need for a business school response that extends ‘beyond the traditional paradigm of educating profit maximising managers’ (2016:708) and to act responsibly pertinent to the issues of sustainability.

#### **5.4.7 Category – Failure to create dialogue**

##### ***Inculcating behaviour change***

This category refers to the failure, on the part of HE, to create sufficient dialogue with business and other external stakeholders to shape an effective approach. This is in which the governance of SD is framed as a meta-responsibility (Scherer, 2018) in which HE is one actor with responsibility. Here, indicated action is to the end of framing the curricula in HE so that it provides SD and CSR education which is appropriately geared to bring about the indicated behavioural changes, in the business and society relationship, for the purposes of SD. As indicated above, Haertle et al. (2017) describe the purposes of the PRME in promoting this, discussing the development of curriculum and research topics in the context, and explicitly

linking this to engagement with the private sector as well as wider society. Shortfalls in this being relevant to research question 3 on barriers.

Within a discussion on the substantial failure of HE to centralise SD and CSR education in the curriculum Respondent 1 pointed to the need for wider stakeholder engagement as below:

And then get industry to buy in to that. So, you could say to businesses, we would like you to underwrite a course that looks at these issues, and on which you also send some of your people along to talk on this - and say what you have been doing. Also, the businesses should know that NGOs will also be invited to come along and give their views. (Respondent 1)

This respondent related the importance of other business activity to this, including the provision of appropriate student placements in the business as part of their course of study.

Further on the indicated need for cross sectoral dialogue, the views of Respondent 3 are illustrated in the passage below:

R

...Referring to the corporate sector, thought leadership is essential in all this, the emphasis needs to be – there is a different way to think about the world – there is a different way to do business in the world. You can have prosperity and do it in a sustainable way. It requires academia and leading practitioners to work together in education to provide a holistic view. It is about harmony of the social, economic and environmental elements – to show how to address discord, illustrating practical solutions.

I

Yes, some very interesting points there, particularly on thought leadership. It does seem that if we are to make good progress in Higher Education, then some of these thought leaders or leading organisations have a key part to play in the educational setting. It does seem that it would be beneficial to have them coming in to talk to courses to signify their endorsement of the mainstreaming of new ways of thinking, and to talk about what works, why and how and so on.

R

Yes definitely.

Thinking about how to do this in practice seems important. How to get sustainable development as a core component of appropriate higher and further education courses, certainly in the world of business but also in the other areas we mentioned. It seems that government could have a key role in raising expectations. Professional bodies should make it a requirement when accrediting programs. The process needs to be driven, it will not just happen. (Respondent 3)

Respondent 12 made relevant reference to these considerations in another part of the interview dialogue. He applied a nuance from that conversation relevant to a tendency for business schools to lag current thinking - of leading business practitioners, key business leaders, and other stakeholders – that is emergent in business practice. The latter being formed in the emerging notions of business purpose which are situated in this study as being in Scherer and Palazzos' (2010) conception of Political CSR. The nuance raised concerns the need for progression of teaching orientation beyond the 'old' CSR approach, this being an economic conceptualisation predicated on the notions of shareholder primacy. This is characterised by Scherer and Palazzo (2010) as being in the instrumental CSR paradigm, which is not substantially connected with core business purpose and business strategy. Here the progression sought by the respondent is towards a pedagogic approach which is more fundamentally connected to core business strategy and core business processes. Here he asserted that 'yeh, these things can be quite slow to change – if you talk about business schools. Em, it's as you said; many are still operating in that 'CSRy' type space' (Respondent 12).

### ***Need to scale up effort***

From his perspective as a senior academic and business school leader, Respondent 14 provided some interesting reflections on the engagement of business in dialogue the educational setting. In this he also emphasised that business schools, as a sector, are lagging behind thought leaders from business practice in the business purpose debate. He advocated the involvement of thought leaders from business and from other sectors in the educational process. He pointed to some improvements in external engagement reflected in the reporting and sharing arrangements provided for by the PRME (PRME 1, 2019), asserting that, 'I think it's patchy – but I think it's a discernible trend' (Respondent 14). He also usefully pointed out that thought leaders in business were confined to a fairly small number of leaders and



organisations at present. In these circumstances he reflected that ‘concerning your Paul Polmans...I’m not sure how realistic it is to get them into 120 business schools in the UK’ (Respondent, 14). Here he voiced concern, also, that viable external contributions should not be confined to taking place in elite HE institutions only, due to these being the ones with the associated ‘pulling power’ and so by-passing the mainstream.

Pertinent to research question 3 on barriers, these views of the respondents indicate a need for cross sectoral dialogue between HE and other stakeholders, including business to bring about the indicated change and align within the conception of the governance of SD as a meta-responsibility (Scherer, 2018) In this respect Elkington and Zeitz (2014) refer to the need for business leaders, business school leaders and students to work together to shape the curriculum. They also address student disaffection with the status quo and emphasise the importance of articulated student demand for change. Referring to a multilateral cross sectoral push, in this need for change, these authors find ‘we also need organisations of every ilk, across every sector, and in every country to put their shoulder to this wheel’ (2014:157). They emphasise that this not restricted to business school education, pointing to the need in other HE provision, and also to the importance in the continuing education context.

Concerning research question 3 on thought leadership, the respondents’ thoughts on the need to involve leading business figures and their staff in curricular development, course content, course endorsement and in contribution to teaching on courses, utilising illustrations from leading business practice, are underpinned by the views of Elkington and Zeitz (2014).

While not indicating that the practice is widespread, these authors provide examples, to positive end. They indicate the power of the approach, to bring about progressive change. In a similar vein Grayson et al. (2018) advocate the need for intervention, on the part of business, in business schools and specifically in relation to the need to create new dialogue to encourage integration of SD into the curriculum.

Following the dynamic concerning the need for business co-operation with HE in business education, and aimed at business, the PRME initiative has provided guidance for cooperation for business-business school partnerships (PRME 3, 2019). Here the PRME argues for business inputs through partnerships to ‘enable higher education institutions to more effectively graduate students and future leaders who are prepared to tackle real-world challenges while concurrently supporting real-time curriculum adaption to reflect the issues that companies are faced with today and tomorrow’ (2019:4).

It seems interesting that in their reference to the need to build of partnerships with stakeholders, Haertle et al. (2017) emphasise this as being integral to the way that the sought-after developments in management education need to be envisioned. These authors place this explicitly in the context of meeting the complex challenges of the SDGs.

Clearly the success of this approach will be contingent on the willingness and alacrity of both business and HE in such endeavours. This of course including the existence of the will in HE to create / take part in dialogue. Here the tensions elucidated above in the chapter herewith, introduced in the in the literature review chapter and further discussed in the synthesis chapter, come into play. These concerning the need to re-invigorate the notions of public value (Kitchener, 2019) in HE in the social science setting, and the pressures raised in the UK context arising from the emerging performativity culture and of marketisation (Parker, 2018: Watermeyer and Olssen, 2019).

## **5.5 Chapter summary**

### ***Business focus; dimensions 1 and 2***

This chapter has illustrated some of the complexities in the business and society relationship pertinent to making progress towards SD. Particularly, tensions are surfaced at the business and policy community interface. A convergence of academic and practitioner views on the need to build trust between business and the policy community, to the end of achieving more substantial private sector engagement in the implementation of the SDGs, is indicated. This in which the emergent notions of business purpose can be used to assist traction at scale for the delivery of the SDGs. Evidence is found of lack of understanding/deficits in commitment, in both business and the policy community, concerning the need to move on from an instrumental and economic approach to CSR, in which the core processes of business and of business strategy are insufficiently engaged. Supported by the literature, the need for a progression is confirmed. In the context of the literature, this is to move understanding and actions to Political CSR (Scherer and Palazzo, 2010). Here the business contribution to SD through CSR is predicated on the engagement and alignment of core business activity, and this is captured in the emerging notion of business purpose. Here Political CSR and business purpose are characterized as being situated in an emerging context.

However, underpinned by the literature, the results indicate that sense making in this is at an early stage of understanding and the results indicate that substantial progress is not assured. Problems with current predominant business models are raised, and the advantages of alternatives are discussed. The results also confirm that, so far, authentic articulation of purpose tends to be confined to a small number of championing business organisations.

In considering progress dynamics, the challenge of addressing complexity, and the scale of effort involved, is highlighted. The importance of a multilateral effort to obtain solutions to the challenges is indicated and, within this, the need for further attention on the part of both business and the policy community is signalled. This in which there is clear emphasis on co-creation of activity, by business and the policy community, in support of the objectives of the SDGs. Here the creation of a situation of trust and mutual understanding is to the fore. This is one in which the large resources of business, including in innovation, can be harnessed to positive end. Sense is indicted of the need for the formation of an enabled setting, in which the policy community and the business community mutually own the solutions. Here a need for the agreement and setting of framework conditions is indicated. This in which the taking of the 'position' in relation to purpose is legitimized and protected.

This perspective of the need to create an enabling situation for business points to two restricting aspects that require attention in the business and society relationship. The first aspect is in which the formation of nodes for business and society sense making - to create dialogue and disseminate understanding, need to be more adequately funded and resourced. It is also where these nodes need to be provided with sufficient degrees of freedom, to trace and take part in a developing and formative situation of understanding. Further it is within which there is room, resource, skill and commitment to create genuine dialogue. Indicated here is the need for new or revised multilateral organizational structures set to make this take place.

The second aspect is to create conditions in which, in the context here, businesses are enabled to follow purpose beyond short-term profit maximization. To this end, in relation to the problem, the response of a call for the creation of enabling legislation in corporate law - concerning corporate governance - is considered. The latter being expressed as a mutual effort on the part of business and the policy community, following an aligned philosophy.

Linkages are also made from this call for enabling legislation, to the different but related matter of the continuing need for prescriptive legislation.

The considerations above are articulated as being within Political CSR. These aspects sit within a deliberative model of democracy which is provided for in legitimate discourse following a social connectedness model (Scherer and Palazzo, 2010).

### ***HE input, dimension 3***

In addressing the HE sector, in dimension 3, this chapter is focused predominantly in the social science setting and in the educational context of business leadership and management. Intersection with the business focused dimensions above can be seen to take place through Scherer's (2018) conception of the governance of SD as being a meta-responsibility. This conception is pinpointed in the synthesis chapter as a multilateral contribution to collective goals. Here the key relationship between business and HE, concerning the indicated need for HE to be in a position of thought leadership in relation to the societal grand challenges pertinent to SD is brought to attention, in the business leadership context concerning the education of future business leaders.

In this the perceived failure to place education for SD at the centre of the curriculum in HE is highlighted in the results. The results indicate a situation in which SD / CSR is not situated in the central philosophy of most courses, where it exists the findings indicate that it is predominantly 'bolted on.' The need for more interdisciplinary teaching and research in support of the interdisciplinary nature of the SD challenge is emphasised. The results and discussion point to barriers to the formation of a progressive approach and these are illustrated.

A tendency is found for HE management education to lag current thinking in progressive parts of the practitioner community. As discussed in the business dimensions of this chapter, this is where the articulation of purpose is emerging as a progressive dynamic in that community, to the end of progressing SD. Expressed in terms of the theory this detraction is captured as being due to CSR, in the educational setting, still predominantly being characterised in the shareholder primacy paradigm, this as being in Instrumental CSR (Scherer and Palazzo, 2010). Here it is asserted that progression to Political CSR, as the

leading thinking, is found to be insufficiently addressed in the curriculum. Barriers to progress are raised in relation to the developing paradigm of performativity, managerialism, marketisation and the increasing existence of a confined careerism in parts of UK HE. Here the comparative demise of the academic in the role of public intellectual is implicated. This particularly in relation to the detraction of, in the sense here, positive external engagement of stakeholders to the end of the public good.

By way of making progress in this situation, the declaration of purpose the need for strategic leadership and commitment is indicated. This to drive interdisciplinary teaching and research and where there is authentic stakeholder engagement. As in the corporate business sector, the need for exceptional leadership is indicated in HE. In the HE sector the notions of purpose are framed in terms of achieving public value, and an important linking dynamic between business purpose in the business sector and purpose in HE is highlighted in this.

In the business and management school context, the perceived failure in most current evaluation mechanisms of business school performance, in the SD context, is brought out. This is pertinent to business school accreditation mechanisms, where explicit attention to the extent of centralisation of SD and CSR in the curriculum is not undertaken. Further, it is also pertinent to the predominant business school ranking systems where rankings are not set to follow wider societal value. This is in which the competitive dynamic created in the current rankings acts contrary to the sought-after educational approach, that is to set in place the principles of responsible management education for SD. The need for the development alternative business and management school rankings is indicated. This to encourage an alternative business school model which is geared to, and where performance is measured against, parameters of public value in the context of SD contribution in the educational provision.

## CHAPTER 6 CONCLUSIONS AND IMPLICATIONS

### 6.1 Orientation

The research aim is to explore the propensity for business to connect legitimately with society by moving beyond current predominant approaches of CSR to one that engages core business strategy, core business decision making and core business processes through a consideration of the dynamics around the emerging notions of business purpose and the relationship, in this, to the SDGs. Addressing this, the chapter proceeds by drawing conclusions regarding the research questions, in the first three sections of this chapter. Following sections are then provided on contributions to knowledge - in the theoretical context, contributions to knowledge – managerial and policy implications, limitations and suggestions for further research.

### 6.2 Need for business contribution in the formation of SD

This section is addressed to the outcomes of research question 1:

*How does the CSR performance of business influence the implementation of SD?*

#### *Normative perspective*

Indicated by the research aim, this question is situated in a normative perspective, and the response is informed by the ideas of key theoreticians, surfaced in the literature review. It is informed by the considerations of Scherer and Palazzo (2010) and Scherer (2018) in their conceptualisation of Political CSR, this as a progression in thinking from the earlier firm centric, descriptive and instrumental perspective of CSR. The work is oriented by the Grand Challenges of SD (George et al., 2016; Mayer, 2018). The linking of CSR to SD is found to be particularly located in the conceptualisation and linking of these concepts by Steurer et al. (2005). Here in which these authors characterise SD as a normative concept for society, where it takes place in processes of social construction. This undertaken at the macro and micro level, and in which business CSR activity, when carried out in appropriate connectivity with society (for example Browne et al., 2013; Isaksson et al., 2013; Metcalf and Benn, 2012) is found as a contribution to SD. The importance of business activity, to the formation of, or detracting from the formation of SD is found (Dicken, 2015; Held et al., 1999; Scholte, 2005).

Here in which the need for multilateral solutions (Scherer and Palazzo, 2010) to SD are brought to the fore. This perspective is found to be supported by Scherer's (2018) assertion of the governance responsibility of SD as being a meta-responsibility in which business is an actor with significant responsibility.

The literature review characterises a frequent failure, in business performance pertinent to CSR in a range of contexts concerning ecological carrying capacity and human welfare (for example Milne and Grey, 2013; Banerjee, 2008; Whiteman et al., 2013) relevant to this research question. The effect of this being destructive of progress towards SD. It is established, in theoretical context and emphasised in the empirical component that while business contribution is needed to make substantial progress, business cannot 'do' SD on its own.

### ***Connectivity of business and the policy community***

In this the legitimate connectivity of business with society is determined as being a two-way responsibility in which the policy community are also required to play their part in the context of creating the frame (for example Earth Security Group, 2017: PricewaterhouseCoopers (2015): UN Global Compact-Accenture Strategy CEO study, 2018). The research indicates that this is in which both business and the policy community share responsibility in the creation of a mutual effort, formed in a co-operative setting. This in the circumstances of appropriate orchestration (Voegtlin and Scherer (2017), here in which sense making can be engendered in pursuit of systemic change. In this vein the SDGs, which became emergent during the course of this study, are established as being of central importance, and that appropriate business contribution to the goals is essential. Here where there is need for change which is transformational, in the face of the global crises (George et al., 2016; Mayer, 2018; Scherer, 2018). This, in the context of the views of the business, academic, policy and practitioner communities (for example Biermann et al., 2017: Globescan-SustainAbility, 2017: Grayson et al., 2018: SDG Compass, 2017: UN Global Compact, 2016, UN Global Compact, 2017: Van Zanten and Van Tudler, 2018: Voegtlin and Scherer, 2017: Volkman et al., 2020).

### ***Importance of the business contribution***

Thus, in answer to this research question, appropriate performance of business in CSR is highly important in making progress towards the formation of SD. Here in which approaches characterised as instrumental CSR (Scherer and Palazzo, 2010) have substantially failed to move progress in the necessary systemic improvement. Contribution drawing on the major resources of corporate business in capital intensity, knowledge intensity and innovation is sought (Van Zanten and Van Tudler, 2018; Voegtlin and Scherer, 2017).

### ***6.3 Theoretical framing utilising Political CSR theory***

This section draws on the contribution arising from Chapter 4, Literature synthesis and theoretical development.

The section is addressed to the outcomes of research question 2:

*What theoretical framing can be developed for appropriate synthesis of the literature, and to position the emerging notions of business purpose.*

Building from insights gained in the literature review, chapter 4 of this study successfully identifies the Political CSR theory, developed by Scherer and Palazzo (2010), as a theoretical frame for further literature synthesis, and in theoretical development to place the emergent notions of business purpose. Pertinent to the research aim of exploring change dynamics in the business and society context, this theorising is situated to capture ongoing developments and is positioned by Scherer and Palazzo (2010) in a developmental formative context. A detailed rationale for the choice of this theory is provided in chapter 4 at section 4.1. The thesis makes a contribution to knowledge, through theory building, by placing the emerging conceptions of business purpose and the related implementation of the SDGs in Scherer and Palazzos' (2010) conceptualisation of Political CSR.

It also makes contribution through utilising Scherer and Palazzos' (2010) conceptual frame in the execution of further synthesis of the literature. The latter is guided by call in the literature for increased literature synthesis of the research across disciplines in research pertinent to CSR. The choice of Scherer and Palazzos' (2010) frame is found to be constructive and in this respect in that it is itself built from a considerable integrative effort in literature synthesis.



The placement of business purpose in Political CSR theory, is justified because the Political CSR theory responds to the changed reality of the business and society relationship in the circumstances of advanced globalisation and to the reality of the emerging global crises of SD (George et al., 2016; Mayer 2018; Scherer, 2018). This update of the CSR theorising provides a framework that is appropriate to capture the dynamics of the emerging purpose notions. Further relevant to the placement is the call by Scherer and Palazzo (2010) for ongoing development of the Political CSR theory. The placement of the business purpose conceptions provides an appropriate contribution to this call.

Further justification of the placement of business purpose notions in the Political CSR theory is concerned with the expressed commitment of the business purpose movement to the implementation of the SDGs. This is because it is consistent with recent developments in the Political CSR theory. Here this commitment through business purpose provides a potential business contribution to the need identified by Scherer (2018) for improved response to the implementation of the SDGs. Here in which Voegtlin and Scherer (2017) refer to the need for business innovation in the implementation of the SDGs, and in which orchestration of an approach to draw on the large resource base available in the corporate sector is carried out (Scherer, 2018; Van Zanten and Van Tudler, 2017).

Thus, in response to research question 2, theoretical framing and synthesis is carried out in the research, in chapter 4, using the five theme construct of Scherer and Palazzos' (2010) Political CSR theory. Summary of the reasons for the placement of business purpose in each theme is provided in a section at the end of the discussion of each theme in chapter 4.

#### ***6.4 Change dynamics and barriers***

This section is addressed to the outcomes of research question 3:

*In the context of SD, what is the leading position of thinking in academia and in the practitioner community, concerning improvement of the business and society relationship, and what improvement dynamics and barriers can be identified arising from this?*

A summary of the points on barriers is provided at Table 13.

### ***Literature alignment***

The research has found alignment between the academic literature and the grey literature, and shows the efforts of leading practitioners, in pursuit of positive change dynamics in the business and society setting, to be congruent with the theoretical perspectives. Further, it has provided meaning in relation to some of the complexity of the issues involved, for example drawing on the example of existing transnational regulatory standard setting schemes. Abbott and Snidal (2013) and Rasche, 2010 point to their range, complexity, sometimes competing nature, extent of effectiveness, limits of take-up and propensity for collaboration and orchestration through the activity of international government organisations in pursuit of the achievement of business behaviour aligned with SD. In the context of limited success of the schemes, these authors look to further innovations for collaborations in the multilateral context. Developing this in light of the indicated extent of multilateral effort needed to provide sense making for the purposes of enabling implementation of the SDGs, the issue is grasped and characterized in this research within the Sherer and Palazzos' (2010) legitimacy theme of Political CSR as moral legitimacy. This prioritising the formation of a legitimate discourse.

### ***Elucidating business purpose***

The emerging ideas of business purpose, surfaced in the literature review (for example Browne et al., 2015: Big Innovation Centre, 2016: Burrows, 2017, Elkington, 2014: Globescan-BBMG, 2017: Globescan-SustainAbility, 2017: Fink, 2019: Grayson et al. 2018: Haski-Leventhal, 2018: Mayer, 2018: McKinsey, 2014: Polman, 2014: Reinecke et al., 2019: SDG Compass, 2017: Unilever, 2018: Volkman et al., 2020) are further considered in the synthesis chapter. In the synthesis chapter, meaning in relation to business purpose is further enhanced through Scherer's (2018) interpretation of purpose in terms of the public interest and values. The latter are connected in the research herewith to Mayer's (2018) notion of virtuous integrity concerning the positive relationships which the company may create with its stakeholders. This in the circumstances of the firm, in its particular operating environment. It is through declaration of the value it creates to society and which is driven by its declared purpose and that is maintained by appropriate ownership, governance and accountability. This position is set within his notion of self-declared value to society, on the part of the firm, of its position in the world outside. It being resonant with Metcalf and

Benns' (2012) conceptions of social cohesion within the CIDEESS. It is in wider context than instrumental concern for financial capital alone and is set in the notions of SD.

These conceptions are placed by the research herewith within Scherer and Palazzos' (2010) depiction of Political CSR. This being particularly within their interpretation of moral legitimacy in their legitimacy theme and within interpretation of a deliberative model of democracy, within their democracy theme of Political CSR. Drawing on these key theoreticians a sense of the potential – largely yet to be realised - for corporations to be transformational for the purposes of SD, is obtained. The synthesis chapter brings out further alignment of this view with those of other authors (for example Grayson et al., 2018: SDG Compass, 2017: Van Zanten and Van Tudler, 2018). Hence the emerging notions of business purpose are brought to the fore.

### ***Early progress***

The empirical element of the research indicates that the notions of business purpose are becoming understood, by some business actors. This in which there is an understanding of the value of an approach which is not confined only to a consideration of financial capital and predicated on financial short-termism. Rather this is where an authentic connectivity with society is sought (Browne et al. 2015: Grayson et al., 2018: Mayer, 2018). However, in terms of barriers, it is concluded that substantial progress is limited to business champions of the purposeful company approach. In the rump of business much CSR activity, where it exists, tends to be confined to Scherer and Palazzos' (2010) Instrumental conceptualisation. This rather than being situated in the developing Political CSR paradigm, of these authors. As indicated above the emerging notions of business purpose are placed by the research herewith as an extension of the theory of Political CSR where they are situated in a progressive setting. This being concerned with the implementation of SD, with attention to the SDGs.

### ***Dysfunctions at the business and policy community interface***

Situated in the context of barriers, a particular dynamic emerging from the research concerns some dysfunctions at the business and policy community interface, and the need for improvements in this relationship are indicated. With reference to the theory, the propensity to succeed in the implementation of the ongoing social constructs represented by the SDGs is found to be important and underlines the need for a mutual approach. This being set in a co-operative frame, on the part of the business and society actors involved, in the various contexts (particularly Voegtlin and Scherer, 2017: Scherer, 2018). In terms of the research

aim this is exposed in the need to form an approach which engages core business strategy, core business processes and business innovation intensity in finding solutions for SD.

### ***Alternative business models***

The empirical component confirmed emerging understanding, positioned in business purpose, of an improvement trajectory. This concerning the need to develop alternative business models and approaches which engage core business strategy and core business processes in the context of the literature (Big Innovation Centre, 2016; Mayer, 2018; Reinecke et al., 2019). These new business models are identified as being to address problems of externalities, which act against SD. The externalities are created by financial short-termism and an approach which is limited largely to concern with financial capital and not to integration of the latter with human, intellectual, material, natural and social capital. This deficit being existent in many predominant business models. There was strong empirical support of the importance of the new emerging business models enabled by the Benefit Corporation form (for example Giridharadas, 2019; Hillier, 2013). The significance of the need of alternative business models was brought out and the study supports calls in the literature for the acceleration of this type of approach.

### ***Forming enabling legislation for purpose***

Calls to assist the generation of alternative business models are strongly linked to pressure for the enactment of enabling corporate law – this being differentiated from prescriptive regulation, the latter being carried out in specific areas of social and environmental legislation. Rather, pertinent to overcoming barriers, the purpose of this enabling legislation being to further enable and defend moves by business to strategise for purpose, in the context (particularly Mayer, 2018). However, drawing from the discussion above and directly relevant to the conclusions below on dysfunctions at the business and policy community interface, it is apparent that the creation of a successful approach to making effective enabling legislation is somewhat dependent on the building a more open and trusting ways of working at the interface of the two communities. This to construct correctly judged legislative intervention that will work, be more widely accepted and genuinely supported on the part of both the business and policy community. This moving away from a confrontational paradigm, in which the latter was found to detract from the purposes of SD.

### ***Hard law***

Resonant with the literature (for example Balch, 2015: PricewaterhouseCoopers, 2015: Rasche, 2010) in the consideration of hard law, the empirical research revealed continuing need also for prescriptive regulation in the areas pertinent to SD. Interestingly aligning here is the insight provided by (Mayer, 2018) that the genuine engagement of business in business purpose agenda through the potential of enabling corporate law has further constructive potential. This is set in the context of de-constructing an adversarial approach on the part of business with the policy community, in that it could place business in a positive orientation towards necessary prescriptive regulation for SD, in matters such as environmental regulation and human rights regulation. Here in the context of adaption of business purpose by business, in which considerations are raised above financial short termism, it provides propensity for business to act with the policy community in the formation and application of appropriate prescriptive legislation supportive of SD.

### ***Positive perception of the SDGs***

There was strong empirical support of the SDGs, in a framing context, and in this support of the need to harness the innovative propensity of business and its major resources to achieve change at scale (Biermann et al., 2017: Ciepley, 2019: Grayson et al. 2018: Mayer, 2018: Scherer, 2018: SDG Compass, 2017: UN Global Compact, 2016: UN Global Compact 2017: Van Zanten and Van Tudler, 2018: Voegtlin and Scherer, 2017). However, the study finds that making progress in this is at an early stage and this is not assured. The conclusion is that major efforts need to be applied to move improvement here. The SDGs were fundamentally linked to the emerging notions of business purpose.

### ***Outdated thinking***

The empirical component shows that sense making in implementation of the goals is at an early stage of understanding and that addressing complexity appears to be a pressing issue. Here again some concerns emerged regarding deficits at the business and policy community interface, resulting in barriers to progress. This is considered in light of Scherer's (2018) conception of the implementation of SD as being a meta-responsibility on the part of business and stakeholders in the policy community. In the empirical component one aspect of this was perceived deficit, captured as a tendency for some parts of the policy community to still be situated in the ideas of CSR in the instrumental setting (Scherer and Palazzo, 2010). This framing being akin to philanthropy and not being engaged with core business strategy and

core business processes (particularly Browne et al., 2015). Where this perception remains in parts of the policy community it lags the thinking of key proponents of purpose in business (Grayson et al., 2018; Mayer, 2018) and is not of assistance to progress.

### ***Lack of trust***

A further component of the tensions at the business / policy community interface emerged as a lack of trust and understanding between the two communities. Part of this, emerging in the thesis, and underpinned by the emerging practitioner literature (for example Earth Security Group, 2017; UN Global Compact-Accenture Strategy CEO study, 2018) was distrust on the part of the policy community of the profit motive in the private sector and a need, for more constructive engagement on the part of the private sector with the policy community.

Drawing on the theory, and directly pertinent to the research aim, it can be seen that this is addressed to Scherer and Palazzos' (2010) concern to construct dialogue and that this is situated within their legitimacy theme of political CSR in the concept of moral legitimacy. This through the generation of legitimate discourse in the production of socially acceptable outcomes through argumentation. This dialogue being for the purpose of the socially constructed outcome of mutually agreed pathways to the end of addressing the SDGs. It is also situated within Scherer and Palazzos' (2010) responsibility theme of Political CSR, and is placed in their solution oriented social connectedness model.

However, the thesis reveals various barriers at the business and policy community interface. Damage to trust caused in the policy community of the business community caused by negative lobbying, on the part of business, of government is identified in the empirical research and is expressed as being detrimental to SD. This at different scales and levels, for example pressuring activity to prevent progressive change in corporate governance legislation, lobbying to remove independent external expert voice in government advice, pressurizing for regulation to be determined by business self-interests alone and duplicity by some businesses in support of business interest group lobbying which is in fact contrary to their publicly declared stance.

### ***Need for dialogue***

A further dynamic surfaced in the empirical research concerning barriers. Being at the business and policy community interface, these are found in apparent restrictions on the part of the policy community in developing dialogue with business. This being due, in part, to residence in their comfort zones, on the part of some in the policy community. This is

identified, and illustrated at different levels in the empirical research, and is in which there is a tendency for the policy community to ‘talk to itself.’ Here failing to effectively orchestrate capture of the major resources of the corporate sector to the ends of SD, in pursuit of change at scale (particularly Van Zanten and Van Tudler, 2018). This observation is underpinned in the literature and is articulated as risk aversity and lack of skills to build effective partnerships (UN Global Compact CEO study, 2018), and concerning the responsibility of business to act positively to encourage change in this state of affairs (Earth Security Group 2017) in support of the emerging ideas of business purpose (Grayson et al., 2018: Mayer, 2018). Here business needs to appreciate the pressures on, and legitimate position of, those in the policy community responsible for making public policy. The conclusion is that there is need for more proactive effort in both the policy and business communities to engender mutual constructive effort at their interface. This is situated by the research herewith in Scherer and Palazzos’ (2010) conceptualisation of Political CSR. This particularly concerning the imperative of decentralized deliberation in their governance theme and in the conception of public will formation in a deliberative model of democracy in their democracy theme.

### *Need for the creation of nodes*

The need to create spaces for the improvement and creation of dialogue between the business and policy community is a key empirical finding of this research and is set in theoretical context in Scherer’s (2018) conception of SD as a meta responsibility. However, concerning barriers, difficulties for both communities in genuine partnership working in the face of the complexity are raised. Here hindrance of the propensity for this to take place are identified in relation to the lack of adequate provision of spaces or nodes where this can occur. In this, barriers in way of the funding of existing bodies where this might happen, such as organs of the UN, the OECD, of think tanks, NGOS and other charitable organisations, co-operative trade bodies, and in academia (discussed further below) are identified. This is found to be in connection with restrictions on their degrees of freedom, in the context, caused by how these organisations are funded. Here restrictions of funding, which is based on specific pre-conceived outputs rather than emerging needed outcomes generated by stakeholder interaction and ensuing dialogue, may impede the wider form of societal dialogue and new ways of working which are indicated (Fazey et al., 2017: Sharpe et al., 2016).

### *Transformational change*

Thus, concerning the discussion of nodes, it can be seen that outcomes geared to achieve transformational change at scale are impeded. This conclusion does not discount current efforts in relation to the SDGs by organisations such as the UNGC. However, taking the example of the UNGC and its efforts on driving the SDGs into supply chains, the empirical results indicate that this does not appear to currently have enough pace to achieve sufficiently substantial transformational change.

In similar context the efforts of others carried out through co-operations in pre-competitive space emerged as important. Concerning these matters insight in the need to build trust between the communities is accessed in the synthesis chapter. Following the aims of the research this is linked to praxis by drawing on the grey literature. In illustration of a positive dynamic, this includes the discussion provided on the Purposeful Company Report (Big Innovation Centre, 2016) and following work (Big Innovation Centre, 2017). Addressing barriers, the research indicates need for a proactive response from the policy community and the business community to develop more open trusting ways of working. In this the need to move beyond an often-conflictual existing paradigm is signalled, relevant to the relationship. This to create better judged interventions to the end of SD, through encouraging the vehicle of business purpose. The example of the Purposeful Company Report, and other responses discussed in the research, serve an indicated need for a multilateral approach in addressing the problems of SD. This report constructs a research based multi-lateral effort drawing on inputs from academics, regulators and leading business practitioners and is concerned with creating sustainable business models. By way of a further example, in similar vein and also linking theory to praxis - but here in the particular context of justice in supply chains - the research lead report by Reinecke et al. (2019), also discussed above, occupies a similar space.

### *New ways of working*

Concerning continuing barriers, the empirical component revealed limitations in the effectiveness of some business partnership approaches which are geared to SD. Taking the notable examples of the ETI and the CGF as an indication, these appear to not be sufficiently substantial in themselves, for transformative change. In this context an appetite for setting up new partnerships and institutions was revealed. These based in the context of Scherer and Palazzos' (2010) legitimacy theme of Political CSR in the concept of moral legitimacy. Here the creation of open dialogue which draws on the volition of the actors concerned is indicated



(Sharpe et al. 2016). This in which the actors are involved in setting the scope of the problem, in mutually defining it in their terms in contributing to solutions, and where they are not presented with a task which is imposed on them as a fait accompli, but instead are involved in the definition of the problem in a mutual way. New ways of working appear to be required where dialogue can be created in spaces unencumbered by pre-conceived constraints emanating from bureaucracy or which are inhibited by asymmetric power relationships. However, also arising from the research - while there is some understanding of good practice – also emerging is a sense of the actual extent of the skill, effort, alacrity and thought leadership needed to make this happen. Here the accent is on forming effective collaborations and on developing stakeholder convening in relation to this (Grayson et al., 2018: Sharpe et al., 2016: Volkman et al., 2020). Further illustrated in the empirical findings is the need for sufficient funding and resourcing of this activity. Across the range of issues addressed by the SDGs, this can be seen to be a large task for business and society. In relation to overcoming barriers, it seems an important policy consideration.

### *Need for leadership*

However, to achieve traction for change, the need for rather exceptional company leadership is indicated. In the business management context, in face of complexity strong leadership and strategic commitment are needed. This to drive the purpose approach into company culture, with continuous re-enforcement in order to ensure that declared purpose is adhered to (Grayson et al., 2018: Mayer, 2018: Metcalf and Benn, 2012: Polman, 2014: Unilever, 2018). Indicated also in the empirical research, and supported in the literature (for example PricewaterhouseCoopers, 2015: UN Global Compact-Accenture Strategy CEO study 2018) is the need for further effort on the part the policy community.

As indicated, the conclusion is that the obstacles at the business and policy community interface are significant. If they are not addressed with appropriate mutual effort on the part of business and the policy community - being supported with sufficient resources and leadership - then the aspiration, articulated (particularly Big Innovation Centre, 2016: Grayson et al., 2018: Mayer, 2018) for business to become transformational in society to the end of moving progress at scale towards SD, appears to be problematic.

### *Gaining traction; recent developments in the literature and links to praxis*

Highly pertinent to the research aim of exploring change dynamics, it is evident that there have been significant changes in the literature in the last three to four years. These developments provide better articulation of business purpose, clarifying that ‘purpose has to be more than a marketing slogan or a vague set of values’ (Younger et al., 2020:1). The developing literature provides better definition and meaning of business purpose. Importantly, linking concept to praxis, it provides clarity and guidance to assist take up of the approach in business. Further of importance, evidenced in the literature, is the emerging effort to gain traction in the promotion of the approach.

Concerning the developments in the literature, contribution to the business purpose conceptualisation is made by Grayson et al. (2018). This in making the components of the approach accessible to practitioners. The ideas of these authors are carried forward in other literature (see, for example, Volkman et al., 2020).

Reinecke et al. (2019) provide specific contribution in relation to supply chain considerations. In this they refer to the continuing systemic problem of downward pressure on workers rights and working conditions, and advocate new business models based on business purpose. Further concerning developments in the literature, Mayer (2018), being congruent also with Big Innovation Centre (2017), provides contribution in his elucidation of the concept, and in highlighting existing barriers to progress in current corporate law, and other matters. Ferrarini (2020) refers to the work of Mayer as being important in that it has stimulated debate on purpose in both academic and policy circles. He makes the point that this is unusual, in a positive sense.

There is evidence of emerging early effort to drive the approach into corporate business. This enjoys significant authoritative stakeholder support and is provided in the work of the British Academy on business purpose (British Academy, 2018: British Academy, 2019). Here, with key academic and practitioner contributions, it finds latest expression in the Enacting Purpose Initiative (Younger, 2020). This provides guidance for company boards, senior management and investors, on purpose. In relation to the finding in this thesis concerning detraction caused by deficits in the relationship at the business and policy community, these endeavours are interesting. This is in that they carried out in collaboration (Grayson et al., 2018:

Volkman et al., 2020) involving participation of actors in the business and policy community, and are research led. It is clear that these efforts are significant and are set in an emerging context.

It is also interesting that these business purpose movement actions to drive take up of business purpose are specifically addressed to the implementation of the SDGs. Further reinforcing the sense of traction in the purpose movement, they are aligned with recent developments in the Political CSR theory. Here in the understanding that the governance of SD is a meta-responsibility and that input, drawing on the resources of business and business innovation, is vital (for example Bierman et al., 2017: Scherer, 2018: Van Zanten and Van Tudler, 2018: Voegtlin and Scherer, 2017).

Concerning the HE component of the research, in the UK business and management school education setting, emerging views on the importance maintaining public value in the social sciences (Kitchener, 2019: Watermeyer and Olsson, 2019) are found to be important to the business purpose debate. This is because, identified in the thesis, these notions of public purpose in the HE sector are equivalent to the notions of business purpose in the business sector. Further in which positive business and management school contribution to business education on purpose is seen as being important to the progression of take up of the approach in business practice.

### ***Higher Education (HE), contribution to SD in the business and society setting***

Pinpointed in this research is the role of HE in in Scherer's (2018) conception of the implementation of SD as being a meta-responsibility for business and society. This in pursuit of a multilateral approach to the end of SD. The synthesis chapter establishes alignment of Mayer (2018), writing from the business perspective on his view that contributions from the HE sector as being important, with the views of Kitchener (2019) and Watermeyer and Olsson (2019), writing from the perspective of HE. This where their corresponding HE perspective is on the need to reinstate public value in the HE in the social sciences context. In this Kitchener (2019) calls for a strategic drive on the part of HE school leaders to assert public value through contribution to SD. Here the relationship and dialogue between HE and business is of importance in the making of progress. This is positioned in a sought-after situation in which HE takes part in, and provides thought-leadership. Through the latter,

providing for attitude change and formation in current and future business leaders, here promoted in the educational setting in the context of SD. In this the sought after HE position brought out in the study, includes that of HE acting as a node for connectivity of business with the policy community - as a space to build mutual exchange, dialogue and learning pertinent to the implementation of SD. The focus of this study, relevant to HE, is predominantly in the social science context and in the business and business leadership setting of UK business and management schools.

In the context of barriers, the empirical component reveals deficits in the HE contribution. Concerning these deficits, it is axiomatic that HE, and within this business and management schools, is diverse and that contained in this diversity elements of good practice exist. However, it is concluded that there appears to be insufficient action concerning the predominant negative trends identified, and to engage with indicated positive direction. As discussed in the literature review chapter and elucidated further in the synthesis chapter, direction of travel for improvement is indicated by the UN PRME initiative, Chartered Association of Business Schools (2019) and by other authors. Here attention to improvement in business and management schools is on teaching, research, external engagement, governance mission and associated internal operations.

### ***Similarities between the criticisms of HE and business in the purpose context***

Interestingly, the criticisms levelled at business and management schools are closely aligned with those made of the corporate business sector. The latter being framed in the business purpose debate as lack of strategic leadership for SD, lack of authentic connectivity with society, short termism rooted in the shareholder primacy paradigm (particularly Browne et al. 2015, Mayer, 2018) and being lodged in the instrumental CSR approach (Scherer, 2010). Here in the parallel HE debate, in the social science setting of business and management schools, purpose is captured in the context of public value in the HE public value debate (Kitchener, 2019). The empirical components of this study provide the conclusion that, reflecting best practice in the context of corporate business, an approach is also needed in HE in which purpose pertinent to SD is strategically declared, in the context of public value, and then followed through with rigour, in operational terms.

### ***Business and management education lagging best practice in business***

Within the above conclusion it is found that business and management schools (and by implication parts of HE more widely), in the context of George et al.'s (2016) consideration

of the grand challenges of SD and of Scherer's (2018) conception SD as a meta-responsibility set in the need for transformative action for the SDGs, are lagging behind the progressive business purpose thinking of the leading business practitioners. Regarding the consideration of barriers; in this the meaning of the emerging business purpose conceptions are not being sufficiently addressed in teaching. In the empirical component, resonant with the literature (for example Haertle et al., 2017; PRME 1, 2019; Snellson-Powell et al., 2016), a mainstream failure to centralise the teaching of CSR and SD in the curriculum is concluded. It is evident that where it is addressed, it is predominantly bolted on - typically as a stand-alone module - and not made integral to the curriculum in the other subjects taught. However, the empirical component of the study illustrates complexity in the challenge of progressing beyond this in the HE business and management school setting, in pursuit of improvements.

### ***Leadership in HE***

Again, in parallel to the purpose debate in business the need for exceptional strategic leadership is indicated also in HE, in the face of the complexity including - in the case of HE institutions - their loosely coupled structure (Kurland et al. 2010). The problem is revealed, in the empirical component, in way of strategic management deficit. As indicated, in this is the need on the part of senior leadership to declare purpose in the context of public value, and to provide strategic leadership from this position with drive through in engagement of core processes, operations and procedures. This including appropriate academic staff incentivisation, which needs to be aligned with stated mission. Support for this in the literature is found in the call for reinstatement of the position in which public value is to the fore in the HE social science context of business and management schools. This is in which public value is perceived to be in a declining position (Kitchener, 2019; Watermeyer and Olsson, 2019). Focused in the UK context, barriers to wider contribution to society are illustrated in the arrival of a developing culture of marketisation and performativity, framed here particularly in the context of business and management schools.

### ***Incentivisation of academics***

Barriers to the pursuit of public value are found to be based around current incentivization arrangements for academics in the developing culture of performativity. The latter being based on the interests of corporate ends, framed in a UK setting of austerity funding and competition paradigm, and which encourage a narrow careerism in academics that is not actively geared towards the objectives of SD. Here, in which there is a resulting declining

trend for the academic as a public intellectual serving the public good and exercising authentic connectivity with stakeholders through external engagement, in the context of SD. This problem being situated within the conception of SD as a meta-responsibility, and in which the propensity for business and management schools to act as nodes for improvement in social cohesion pertinent to the objectives of SD is reduced.

### ***HE contribution to transformational change***

The study does not discount the fact that islands of good practice exist in HE relevant to a contribution to the SDGs. However, indicated in the empirical component, this does not appear as being sufficient at present, in the mainstream, in light of the need for transformational change (for example Haertle et al., 2017: PRME 1, 2019: PRME 2, 2019: PRME 3, 2019: Sharpe et al., 2016). The HE aspect of the research herewith is framed in the setting of trends in the propensity for HE to act positively as a node in the policy and business community milieu. The conclusion is that this propensity, in the UK context referred to, is situated in a diminishing setting. As indicated, this is in the circumstances of marketisation and performativity (Watermeyer and Olsson, 2019) identified in the business and management school context.

### ***Centralisation of the SD agenda in HE***

The respondents' views in the research closely align on the failure to centralise the SD agenda in HE curricular and point to this as a detraction from progress towards SD. This view is located in both the teaching and research contexts. It is notable that these views included those of the respondents situated in the professoriate. The latter being highly active in interdisciplinary research, explicitly in the SD context. From this informed position, and with reference to the interdisciplinary nature of SD problems, the conclusion is that there is a need for acceleration of interdisciplinary research pertinent to SD and that in the policy regime this is relevant to funding provision. It is also concluded that relevant existing leading-edge interdisciplinary research is insufficiently used to inform teaching. As indicated, it is further concluded that teaching of CSR and SD is not centralised in the curriculum and that it is insufficiently interdisciplinary.

### ***Need for new business models***

Thus, set in the context of strategic deficits in HE, calls for change are highly aligned with similar exhortations concerning the corporate business sector where there are calls for new

business models to bring about transformative change (particularly Mayer, 2018, Reinecke, 2019). In similar frame then to existing criticisms of business, the study supports the view that predominant mainstream business and management school business models are not aligned with SD. This is resonant with views in the literature (for example Driscoll et al. 2017; Parker, 2018; Snelson and Powell, 2013) in which decoupling is identified. The decoupling debate in HE is further echoes criticisms levelled at corporate business. This is in which the assertion is that some existing elements of the institutional self-promotional SD rhetoric in business and management schools, concerning their stance in this reality, are not firmly grounded in their actual performance.

### ***Barriers to the interdisciplinary approach***

Identification of the need to provide interdisciplinary teaching in line with the interdisciplinary nature of the problems of SD bring out the importance of barriers to this arising from academic silos (Kurland et al., 2010). Here it is found that interdisciplinary teaching, through consideration of a team-teaching approach is to the fore. However, as indicated, the conclusion is that this needs to be enabled through strategically declared purpose, resourced, and driven through by senior management into operations and academic incentive systems in the corporate context. Further in this it is important to appreciate the complexity of the challenge. Here, concerning the need to provide team teaching in which staff can provide range which is capable of addressing the interdisciplinary nature of SD issues, the formation of a balance between PhD holders and experienced practitioners is advocated in teaching teams (Pitt-Watson and Quigley, 2019). Brought out in the empirical component, it is apparent that there are **barriers** to this in way of structural constraints in terms of REF academic staff publication requirements and in some aspects of HE quality assurance assessments. In achieving balance here, the need for alacrity on the part of senior leadership is again underlined.

The study also identifies other barriers, these being situated in the HE external operating environment. Underlined in the empirical component, a further barrier to interdisciplinarity is found in the influence of the elite academic journals in academic rankings. This being in that the journals tend to be predicated on single discipline research, and in this respect do not incentivize the interdisciplinary approach. Brought out in the empirical component, a further barrier to developing a new teaching agenda is contained in the prescriptive curricular requirements set by the professional bodies, such as the accounting bodies, in their

accreditation requirements for students wishing to pursue a career in those professions. These requirements affect a significant proportion of business and management school students. The need for a fundamental dialogue, on SD issues, between HE providers and the professional bodies is to the fore.

TABLE 13 – SUMMARY POINTS ON BARRIERS
<b>1. BUSINESS FOCUS</b>
<i>Orientation</i> Need to progress the take up of purpose and the associated contribution of core business to the implementation of the SDGs
<i>Factors</i> <ul style="list-style-type: none"> <li>• Dysfunction at the business and policy community interface, where lack of trust, respect and mutual understanding deters a legitimate discourse. Components being: <ul style="list-style-type: none"> <li>○ distrust of the business profit motive by the policy community</li> <li>○ some in the policy community lodged in the old ideas of CSR as philanthropy, not core business processes and strategy</li> <li>○ some parts of the policy community risk averse, lacking skills to make effective partnerships</li> <li>○ negative lobbying by the business community</li> <li>○ need for effort on the part of business to understand and support the legitimate imperatives of public policy makers</li> </ul> </li> <li>• Need for enactment of corporate law to widely enable business purpose, and encourage new business models</li> <li>• In the complexity of sense making in the SDG issues, need for new nodes at different scales and levels for the construction of dialogue between business and the policy community</li> <li>• Need for funding, resourcing and leadership in node formation</li> <li>• Need to adopt new ways of working in the nodes based on emerging understandings in stakeholder convening and collaboration</li> </ul>
<b>2. HIGHER EDUCATION INPUT FOCUS</b>
<i>Orientation</i> Concerning the take up of business purpose in business, the business purpose debate is insufficiently addressed in HE business and management schools.
<i>Factors</i> <ul style="list-style-type: none"> <li>• Lack of strategic leadership for SD at HE institutions; failure to declare purpose situated in public value</li> <li>• CSR and SD not centralised in the curriculum</li> <li>• Failure to sufficiently address the business purpose dynamic in teaching</li> <li>• Interdisciplinary approach in teaching needed</li> <li>• More Interdisciplinary research needed, and this should inform teaching</li> <li>• Growing culture of marketisation and performativity inhibits ‘authentic’ engagement of academics with external stakeholders and the propensity to promote nodes for dialogue</li> <li>• Current business and management school ranking systems detract from the formation of a progressive approach</li> <li>• External operating environment constraints, including - single discipline predominancy in the elite journals; REF academic staff publication requirements; prescriptive requirements of the professional bodies in management education</li> </ul>



### ***Detraction arising from current business and management school evaluation mechanisms***

Further in the context the HE external operating environment and concerning the SDGs, barriers to centralisation of CSR and SD in the curriculum emerge concerning business and management school external evaluation mechanisms, which comprise accreditation systems and the ranking activities of rating agencies (Elkington and Zeiss, 2014; Pitt-Watson and Quigley, 2019; PRME1, 2019) are concluded to be important. Aligning with touchstones in the purpose debate in the business sector the essence of the criticism here is that current ranking systems effectively re-enforce the inappropriate dominance of the shareholder primacy paradigm and financial short-termism, in the curriculum. This predicated in a paradigm that is influenced by greed and a narrowly perceived conception of self-interest. Here the emphasis is on financial capital at the expense of the other capitals (Mayer, 2018; Reinecke et al., 2019) necessary in the construction of SD. Developments in ranking systems are considered and it is concluded that the formation of an alternative business school model could be productive, driven by rankings provided in the progressive agenda. Here in support of the PRME and the SDGs and in which declaration of purpose by participating schools is central. This being resonant with the formation of alternative business models purported in the corporate business sector, business purpose debate. It appears that the alternative business school model could be driven in a 'race to the top' effected through the mechanism of stakeholder designed, and in the sense here, purpose driven rankings geared to SD. The conclusion here is that participating schools could accomplish a leadership position, in which they are contributing formatively to the positive dynamic being created by progressive businesses acting in the business purpose frame. This rather than the current situation in which most schools tend to lag this emerging positive dynamic of business purpose articulated by champions in the business sector, and are largely failing to sufficiently inform it.

## **6.5 Summary of contribution to knowledge; theoretical context**

### ***Placing business purpose in the Political CSR theory***

The thesis makes a theoretical contribution by placing the emerging notions of business purpose within the five themes of Scherer and Palazzos' (2010) Political CSR theory. Following the recent emergence of the SDGs, and their consideration in the business purpose movement, the research demonstrates further alignment with the developing Political CSR theory, post Scherer and Palazzos' (2010) paper. This is in capturing the congruence of the

business purpose stance on promoting the implementation of the SDGs with the more recent Political CSR theorising. The latter in which the developing Political CSR theory (Scherer 2018; Voegtlin and Scherer, 2017) is re-enforcing of the business purpose approach, concerning the SDGs. Further in relation to theoretical contribution the thesis links purpose in HE, predominantly in the social science context of business and management schools, to the notions of purpose in business. Here in HE expressed as public value and paralleled by the thesis to purpose in business, interrelated to it, and placed in the political CSR theory.

### ***Purpose, a positive dynamic in the business and society milieu***

Following the research aim, the thesis finds that the business purpose movement offers a significant change dynamic in the sought-after paradigm shift in business and society relations. It is found to indicate a drive for new business models that are built to go beyond the short-term financial view. As one facet of this, the thesis supports the recent benefit corporation model. However, the research establishes that broad take up is not assured and the rump of business, beyond champions of the approach, remains to be substantially engaged. The business purpose movement is found to be centred on concern to achieve transformational change at scale in the realisation of the SDGs. Here in which the harnessing of the major resources available in business through engagement of core business strategy, core business decision making and core business processes is essential.

### ***Deficits arising from barriers at the business and policy community interface***

The research establishes that progress in take up of the purpose dynamic is impeded by deficits at the business and policy community interface, and these are illustrated in the research. In this vein the research identifies the need for increased co-creation and framing activity, in making a co-operative response to the end of implementation of the SDGs. This in which business and the policy community work together. Lack of trust and understanding, set in an often-conflictual setting, between business and the policy community is identified as a barrier to progress. It is established that further effort is needed on the part of both the business and the policy community, to achieve improvements. The research points to a prime example, this in the need for co-operation to construct enabling legislation for business purpose.

### ***Illustration of complexity***

The research makes a further contribution by providing understanding of the complexity through synthesis of the literature. Here drawing on academic and grey literature. Convergence is found between the academic and practitioner literature. This is illustrated in the discussions on global governance and transnational regulation and in the emergence of the business purpose notions. Orientation is provided by support of the thesis for the position that the implementation of SD is a meta responsibility.

### ***SD and CSR education in business education in HE; business and management schools***

In the context of the implementation of the SD as a meta-responsibility, the thesis establishes deficits in SD and CSR business and management education provided by business and management schools. While islands of good practice are recognised, a failure to act sufficiently in a mainstream response to the grand challenges of SD is established. As part of this the importance of business and management education to act effectively in thought leadership, to assist traction in take up of the business purpose conceptions is determined. Here to the end of change and improvement in current, predominant, business practice. The research places this in teaching and research contexts and is concerned with HE governance, strategic leadership, operations, academic staff incentivisation and external engagement. Illustration of these aspects is provided. The research contributes to knowledge by capturing the position as one of strategic deficit, in which purpose is not declared, relevant to SD, and followed through into operations.

Illustration is also provided of pressures in the external operating environment which detract from progress. To the fore here is the negative influence of the predominant business and management school evaluation mechanisms in which are predicated on the shareholder primacy paradigm and financial short-termism and encourage business and management school models where the education is based in this financial paradigm and not centralised on the progressive SD agenda. A key contribution of the thesis is to underline need for encouragement of the formation of alternative business and management school education models. These driven by the creation of ranking schemes which are based on declaration of purpose for SD in the institution and corresponding follow through in the education provided.

It is found that the propensity for business and management schools, situated in the business and policy community milieu, to act as nodes for stakeholder interaction is insufficiently engaged. This in the in the context of improvement in social cohesion pertinent to the objectives of SD, in the business and society setting.

## **6.6 Summary of contribution to knowledge; managerial and policy implications**

### **6.6.1 Managerial and policy implications; business focus**

#### ***Orchestration of purpose***

A response is needed to the tensions which are identified above at the business and policy community interface. These tensions being detrimental to achieving change at scale for the SDGs, through engagement of business purpose. A more comprehensive approach is indicated in the business and society setting. In policy terms this is expressed as the need for a more active orchestration of the sought-after positive position.

In addressing orchestration from a practical perspective, a need is identified for the creation of nodes or spaces where a new dialogue can be created, in different settings and at different levels in the business and policy community context. These nodes may be created inside existing institutional arrangements, however attention to the formation of new organisations and partnerships is also signalled in the study. The thesis indicates the complexity of the challenge and provides sense of the actual effort needed to create transformational change through genuine dialogue and new ways of working, at various scales and levels. In this the thesis finds need to progress emerging understanding in the formation of stakeholder dialogue. Illustrated in the research, this set in the ideas of collaboration and stakeholder convening and in the utilisation of pre-competitive space. A clear policy implication here is the need to fund and resource these nodes and importantly to provide this in a way in which the participating stakeholders are not, in the sense here, encumbered or restricted by the emanations of bureaucratic confinement or by asymmetric power relationships.

#### ***Release of purpose through enabling legislation***

Further, in way of the value which can be created by positive action at the business and policy community interface, the thesis raises the issue of the need for wider enabling legislation. Here the policy implication lies in the perceived requirement for further serious pursuit and development of corporate governance legislation which is widely enabling of business purpose. This to build on current efforts. The thesis finds that the process of formation of the legislation should address the identified problem of lack of trust and understanding between the business and policy communities. Here it is in which the business and policy communities need to act mutually in creating a genuine dialogue, in a legitimate

discourse (Scherer and Palazzos, 2010) to produce an effective outcome. This in which legislation is formed that will be accepted and owned by both the communities, and not intentionally subverted by business.

#### ***Need for exceptional leadership at the firm level***

The thesis provides insight into the complexity indicated in execution of the business purpose approach. It considers the stance of companies considered to be leaders in the developing approach. Here the research establishes that exceptional company strategic leadership is required to drive the approach into company culture in the face of the complexity of the social, economic and environmental issue in play in the purpose considerations. This to set and maintain commitment to declared purpose.

### **6.6.2 Managerial and policy implications; HE business and management school input**

#### ***Need for strategic leadership and commitment towards SD in HE institutions***

Concerning managerial implications, following parallel best practice in business purpose in the business sector, it is indicated that leaders in HE institutions should declare strategic purpose. This being where the latter is located in the notions of public value in contribution to SD. This, in the SD context, should be predicated on strategic drive for an interdisciplinary approach to teaching, which is informed by interdisciplinary research, and in which SD is centralised in the curriculum. The testing managerial implication is to effectively drive this strategic response through the organisation in internal systems, particularly with regard to appropriate incentivisation of academic staff.

#### ***Need for purpose driven rankings of business and management schools***

The need for alternative business models, based on business purpose, identified in the corporate business sector is reflected also in the HE context. However current business and management school external evaluation mechanisms which includes current prevalent ranking systems, detract from this. Here the development of purpose driven rankings schemes is indicated. These being to the end of supporting an alternative business school model which is geared to SD and in which the rankings demonstrate performance in terms public value in this context. However it is clear that management support for this, in business and management schools, is required.

### ***Policy implications***

It would appear that public policy changes are required to enable these changes at HE institutions, particularly with regard to public funding provision. In the UK context the need for a policy review is strongly indicated. This is of particular importance because of the negative effect of the current circumstances of the austerity funding, marketisation and performativity on the potential for business and management education to contribute to SD. Further there is a growing culture which encourages a narrow careerism in academics. This is due to institutional corporate pressure which acts to inhibit the role of the academic as a public intellectual, appropriately engaged with external stakeholders, and aiding the pursuit of the grand challenges of SD.

### **6.7 Limitations**

The literature makes it clear that all research has limitations. In this research the issue of generalisability, ‘the extent to which the findings of a research study are applicable to other settings’ (Saunders et al., 2012:671), is pertinent in these considerations. As discussed above in Chapter 3, section 3.4.6. Bryman and Bell (2011) point out that the ideas of generalisability, or external validity, were formed in the context of quantitative research, in the positivist setting.

However, in the qualitative context of the research herewith, these authors point to the more problematic matter of assessing the generalisability of findings due to the particular individual contextual setting of qualitative research interventions. As discussed above, for the purposes of establishing quality in qualitative research, these authors cite (2011:395) the criteria of trustworthiness developed by Lincoln and Guba (1985) and Guba and Lincoln (1994). Under this criteria of trustworthiness Bryman and Bell (2011) elucidate in the qualitative research context, the notion of transferability which they parallel with the external validity, or generalisability conception developed for quantitative research. Here transferability to other research is predicated on the provision of data that is sufficiently rich. This being in the sense that the provision of rich data, discussed above, is relevant not only to answering the research aims and objectives of a piece of research – but also in that the provision of rich data provides other researchers with the means of making judgements about the transferability of the data to their own research. In this context the research herewith has

achieved the provision of rich data through the research method of elite interviews, and following Holstein and Gubrium's (2011) animated interview technique.

As with other empirical studies the research in this thesis relies on the opinions of the elite interview respondents. While these individuals are in a good position to inform this study, other elite contributors may voice different perspectives. However, it is notable that the respondents involved in this study were situated in a range of sectors and settings. Further in this thesis, the relationship between the empirical results and the theory shows considerable alignment, and in this gives confidence of relevance for wider applicability.

## **6.8 Further research**

In the circumstances of the global crises of SD and in their urgency for human welfare (for example George et al. 2016; Mayer, 2018; Scherer, 2018), focused on deficits in the contribution of business in the business and society relationship, the thesis has identified barriers to making progress towards SD. This includes barriers at the business and policy community interface where failures on the part of the policy community are also implicated. Here detracting from the perceived imperative to bring about transformational change. This being change at scale with the objective of supporting the implementation of the SDGs.

Following the direction from the study, that the emergent business purpose movement provides a potential improvement dynamic here, it would be useful for further research to examine the progress of this emergent approach. In this to examine the effectiveness of efforts set in place in the co-operative frame, on the part of various business and policy community actors, where they act in a mutual approach. It would be interesting in this further research to characterise this activity at different scales and levels, and in different contexts. Illustration of the range of relevant activity in play is encountered in this thesis and provides some orientation in way of areas of activity appropriate for further research in this vein (for example, Big Innovation Centre, 2016; Big Innovation Centre, 2017; The British Academy, 2018; The British Academy, 2019; Earth Security Group, 2017; Globescan-BBMG, 2017; Globescan-SustainAbility, 2017; Pitt-Watson et al., 2019; Reinecke et al., 2019; SDG Compass, 2017; Slavin, 2017; Slavin, 2018; UN Global Compact, 2016; UN Global Compact, 2017; UN Global Compact-Accenture Strategy CEO study, 2018; Volkman et al., 2020; Younger et al., 2020).

In this further research into the emerging expression of business purpose it would be valuable to examine how, and to what extent, the ideas developing on new ways of working are being

implemented. This being in the indicated need to build nodes for stakeholder interaction, and in which these nodes are based on participant volition in contribution to legitimate dialogue predicated on inclusive discourse (Scherer and Palazzo, 2010). Here, being indicated in the literature as needed for transformational change for SD. This in different settings and as appropriate in systemic context (Fazey et al., 2017; Grayson et al., 2018; Mayer, 2018; Scherer, 2018; Sharpe et al., 2016, Volkman et al., 2020). Research into learning that may be available from different approaches and at different scales and levels in the successful formation of these nodes for dialogue, would be of value.

Within this, a number of facets are of interest in future research. Here including exploring developing examples of the effective harnessing of collaboration between businesses and between business and the policy community (Grayson et al., 2018; Volkman et al., 2020). In this consideration of evidence of the application of appropriate skill in stakeholder convening is to the fore. Turning to the perspective of academic contribution, in way of providing direction for transformative action, it is apparent that this is also worthy of attention in further research. Here pursuit of evidence of employment of sought-after technique in the knowledge formation process is indicated. This concerning achievement of appropriately inclusive contributions from practitioner stakeholders in techne (know-how) and knowledge from phronesis (practice). Here in the application of inclusive processes to generate genuine open dialogue with and between practitioners, to inform research. This being to the end of achieving real world relevance and utility, to assist movement towards change at scale in SD. Further relevant for future research, and also pertinent to the development of stakeholder convening, are emerging developments in the business setting concerning enhancement of collaborations in pre-competitive space. These being geared to systemic change for SD. Another indication for further research, which is directly relevant to all the above facets, lies in gaining understanding concerning success factors in the development of models for resourcing, funding and leadership with which to enable the collaborations.

With reference to the specific consideration in this thesis on the position of HE business and management schools in the business and society debate; further research is also indicated in this, set in the context of the emerging dynamics. Here focus on the extent of take up of the UNPRME is indicated. Another aspect of interest for further research is the emerging dynamics around call for an alternative business school model, in which the latter is predicated on declaration of purpose in the context of SD.



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